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No. 1946



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21 April 1982

## WEST EUROPE REPORT

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## NORWAY'S OIL MINISTER: GAS PIPELINE CAN'T GO THROUGH SWEDEN

Stockholm SVENSKA DAGBLADET in Swedish 9 Mar 82 p 22

[Article by Sophie Petzell: "Norwegian Oil Minister Says Gas Line Must Not Go Through Sweden"]

[Text] It is not at all certain that the gas line from north Norway through Sweden will be a reality, even if sufficient gas is found. The line can also be laid on the ocean floor off the Norwegian coast. So said Norwegian Minister of Oil and Energy Vidkun Hveding to SVENSKA DAGBLADET.

Vidkun Hveding has no objections to Vattenfall and Swedgas now planning the large gas pipeline through Sweden.

He said that if sufficient gas is found in the northern Norwegian fields, the pipeline can be one of several alternatives. But he can also imagine shipping chilled gas in ships, or connecting the north Norway gas to the pipeline which is now being built from the fields off south Norway to northern Europe and Great Britain. Much natural gas could be found between the fields farthest to the north and farthest to the south. If so, that would be an additional reason to connect the pipeline to those in the water.

Swedish industry and Swedish politicians have many objections in connection with the pipeline, which would be the largest industrial project with Swedish participation in these times.

The gas pipeline is expected to cost about 20 billion kronor, and would be begun in 1985. It would transport 20 billion cubic meters of gas through Sweden and to the continent. That is about as much as the now-planned underwater pipeline from the south Norway fields to Europe is going to handle.

The planned Russian gas pipeline is expected to supply 40 billion cubic meters of gas to Europe. One billion cubic meters of gas corresponds approximately to one million tons of oil, in terms of energy content.

## Beginning to Run Dry

Norwegians expect that the gas will gradually amount to half of the income from the oil fields. The Norwegian gas is conveniently coming into the picture just as the French and Dutch will be running dry in a few years.

Vidkun Hveding spoke to an industrial conference arranged by the Norwegian Export Council on Monday afternoon.

In an interview with SVENSKA DAGBLADET he confirmed that the Norwegian gas pipeline certainly could be a good example of the much-desired Swedish-Norwegian cooperation. But both countries already have very good and well-established cooperation in many areas. Nordel is a concrete, functioning example, and there are a number of others.

"Cooperation grows when it is needed and is economically called for. One should be careful of artificially created situations," he said, as a comment on the recent debate between, among others, P. G. Gyllenhammar and Nils Asling on the lacking initiative from the Swedish side concerning cooperation with Norway.

Norway recently reduced its oil price by \$4 per barrel (1 barrel equals 15,159 liters), and since last year they have reduced the price in several steps from \$40 to \$30. Great Britain led the way in this direction on the hard-pressed oil market.

This latest reduction means a loss of oil income of 6 billion Norwegian kroner.

"Forty dollars was a lot, but on the other hand \$30 is too little for a barrel," said Vidkun Hveding. "I am convinced that the pendulum will come back and that we will return to a more normal price."

He pointed out that despite everything, the price of oil is elastic, and in its special way follows supply and demand. It differs from normal price-elastic goods in that oil moves quickly up or down with changes in the market, and is the first to reach a normal price situation after a certain period.

Vidkun Hveding does not believe that the 13 countries in OPEC, the organization of oil exporting countries, really make up a cartel. There are a few members, mainly Saudi Arabia, who influence the price picture. The differences between the countries in OPEC are so great that the organization can not act as a cartel. The Norwegian oil minister does not expect any great or decisive conclusions as a result of the extraordinary crisis meeting in Vienna next week.

The Norwegian price reduction came at the same time as it became clear that the income from the oil fields will not be as large as was expected.

Operating and investment costs are growing, while production volume is not as great as the long-range program called for.

Until 1990 Norwegian production will probably not grow more than about three percent per year, and oil will amount to less than one-half percent per year. Therefore the growth, in spite of the oil income, will be less than what many had expected.

"We must be careful about using the income from gas and oil too soon. We must count on getting the income, but we must have a margin between what we earn and what we spend."

9287

CSO: 3109/129

## NEW REPORT DAMPENS HOPES FOR USE OF PEAT AS ENERGY SOURCE

Stockholm SVENSKA DAGBLADET in Swedish 15 Mar 82 p 7

[Article by Bo Ostlund: "SGU Report a Shock--Only Five Percent of Peat Worth Cutting"]

[Text] The Swedish supply of peat has been radically reevaluated by a report which SGU [Geological Survey of Sweden] will soon publish: Only five percent of the country's peat worth cutting for energy.

The report will be published at Uppsala next week. SGU has prepared it for NE [The Committee for Research in Energy Production], and the result will be a shock for all those who argued that there were great future energy resources in the Swedish peat bogs. According to SGU's examination of the total peat area of 5.4 million hectares, only 5 percent, or 340,000 hectares are viable.

For 4 years, six people at SGU have studied the possibilities of cutting peat with today's techniques.

"If, or perhaps when, the techniques are improved--when we for example learn how to cut peat the year round, when we know better than now how to dry the peat--the supply of energy peat will increase," said Lars Erik Larsson, who is the project leader for the peat inventory at SGU.

"But our report shows that there is reason to warn those who too optimistically expected to exploit the peat lands. Far from all the lands have sufficient energy contents to make peat cutting economically feasible."

How could they have previously found as many as 5.4 million hectares?

One answer is that there is no map of Sweden which distinguishes between peat and energy peat. There are three different kinds of maps which, when read together, can contribute to confusing the picture even more.

### What is Peat Soil?

This is how nearly 5.4 million hectares shrank to 340,000 hectares:

Forest survey maps show that Sweden has a total of 5.4 million hectares of peat soil. That is soil that is not forest and not cultivated land, where the peat is 30 cm thick.

There are geological maps which show a much smaller area of peat soil. According to geologists' definitions the peat cover must be at least 40-50 cm thick.

There are our usual topographic maps which show with "brown spots" where the peat soil is--wet soil. (The peat lands where trees grow are marked in green on these maps, and the cultivated peat lands are marked in white.)

"In our investigation we assumed that the peat bogs had to be at least 50 hectares in size. That is the minimum size where cutting peat is economically sensible. Thus Sweden has 9,300 bogs in a total area of 1.7 million hectares.

"We investigated these bogs, at least 50 hectares in size, in 11 counties and found that an average of 15 percent of the areas were nature protection areas. For example bird sanctuaries. The same is true for the entire country."

Only 1.45 million hectares remained.

### Coastal Lands Too Young

"But many of these peat bogs are totally unusable because of the lack of energy content. Because of the rapid rising of the land in the north, for example, all the coastal land between Umea and Haparanda lower than 100 meters is too young to contain peat which is economically reasonable to extract. This amounts to 40-50,000 hectares of peat soil.

"And a large peat bog belt south of Dalalven is too wet, 90-95 percent of the peat there consisting of water. And there are distant peat soils which are too inaccessible. And peat soils which are covered by a thick layer of peat moss which can not be used, and which requires too much energy to extract. And other peat soils which are too silted up for cutting."

### Best in Smaland

Of the good peat supplies remaining, from an energy standpoint, it is estimated that 35-45 percent could be used. SGU's investigation showed that these are in Vindeln and outside of Ostersund.

"Actually there are not more than 340,000 hectares remaining," said Lars Erik Larsson.

Where are Sweden's best supplies in terms of energy?

"In south Sweden, particularly in the Smaland highlands."



Caption: The map shows the extent of Sweden's marshes according to an investigation in 1980. It does not, however, show all areas which have available peat. Many fields have too little surface area, others are not thick enough, and some are inaccessible from a transportation standpoint.

Key:

1. High frequency of large marshes (smaller than 50 hectares)
2. Large marshes (larger than 50 hectares) but too thin
3. Many small marshes (smaller than 50 hectares)
4. Infrequent marshes

9287

CSO: 3109/129

## SOCIALIST DEPUTY DENOUNCES DEVALUATION OF FRANC

Brussels LE SOIR in French 24 Feb 82 pp 1, 2

[Article by Herve Brouhon, Socialist deputy from Brussels: "Devaluation: The Administration Shows Its True Colors"]

[Text] While I was thinking of dedicating this "Open Forum" column to the relations between the state and the localities and to the problems of managing them, especially in the Brussels area, which does not yet have a real statute, the announcement of the administration's willingness to devalue the Belgian franc exploded like a bomb. The repercussions of this will be infinitely painful for the large majority of our fellow citizens.

Devaluation had been discussed for some time in financial circles; speculative activity, which had been denounced numerous times, was an evident sign of this. But life continued normally. Unemployment increased from day to day; firms which had formerly been prosperous ran into greater and greater difficulties and requested state aid, which, however, did not keep them from closing shop after a while. Bankruptcies multiplied.

In addition, the Belgian franc had been depreciating on the open foreign exchange market for many months in comparison to several foreign currencies, despite the backing of the National Bank. But despite their seriousness, all these facts taken together do not justify the crushing measure which the administration has just taken and which, rather than contribute to a solution to all the problems that confront us, is liable to aggravate them.

If you believe their statements, the ministers who govern us are trying to push the responsibility for their misdeed onto the laxness of their predecessors. They forget that the Martens V administration inherited, for the most part, the Martens I, II, III, and IV administrations, the Eyskens administrations and the Tindemans I and II administrations.

They forget that the chaos in public finances that is talked about so much these days originated in a budget presented by Willy De Clercq, minister of finance in the Tindemans I administration, which, instead of having the predicted surplus, ended with a deficit of several billion francs. At the time, no one was surprised by how widespread unemployment was becoming, because the Tindemans-De Clercq team intended "to fight inflation."

Unsuccessfully, by the way, They forget that all the succeeding administrations which handled the nation's affairs placed only ministers from the PSC-CVP [Christian Social Party - Flemish Social Christians] or from liberal parties at the head of the Department of Finance.

A few days ago the National Bank of Belgium rejected the idea of a devaluation in its activity report. Its new governor, Godeau, did the same!

During the same period, on the other hand, the Kredietbank, which counts among its directors the former heroes of the CVP, the elder Eyskens and Dequae, stated that it was in favor of a devalued Belgian franc.

In Parliament, Martens and Willy De Clercq, who have not appeared there since they were granted the special powers they had been requesting, have always claimed they were supporters of our national currency. It is evident just how far we can trust them. Before the elections of 8 November 1981, did Jean Gol for the PRL [French-speaking Liberals] and De Clercq for the PVV [Flemish Liberals] tell their potential electors that they intended to attack the parity of the franc? They would never have dared!

Today the populace knows what to believe.

Our franc's 8.5-percent official depreciation, which our EEC partners were quite willing to grant De Clercq, will actually have no beneficial effect on our economy. This devaluation, which the administration would have preferred to be even larger (hadn't they asked that it be about 12 percent?), will hit all categories of workers, small and medium-sized firms, recipients of government payments, small pensioners, and all consumers very hard.

We must not lose sight of the fact that the prosperity of our economy rests primarily on the size of our exports and on the possibilities of expansion in the domestic market. But it is equally subject to the import of raw materials needed to manufacture finished or semifinished products.

Our firms will have to pay more for these raw materials, which will offset the probable lowering of prices which could be counted on for exports and will cause domestic prices to increase.

Devaluation will be accompanied by a string of measures which, when you read the list, seem to be the real reason for the devaluation, and which will cause profound changes in our daily life: loss of the populace's purchasing power, increased difficulties for a whole range of firms, and a new upsurge in unemployment.

Industrialists will benefit from reduced taxes, but this will not prevent the above from happening.

What we predicted has happened. Martens, Gol, and De Clercq have begun their policy of changing society. They are making those who suffer from the crisis pay for it and are lavishing all their encouragement on those who benefit from it.

We cannot accept this policy under any circumstances. Selective measures, not injustice and economic and social coercion, will revitalize the country.

The administration has shown its true colors. Its intentions are clear; they leave no room for the slightest doubt. The people will judge.

9720  
CSO: 3100/386

## GOVERNMENT MEASURES ON BUDGET, SOCIAL SECURITY

Brussels LE SOIR in French 9 Mar 82 p 2

[Article by Vdd.: "New Taxes, Reduced Budgetary Ambitions: the Knife Has Fallen"]

[Text] The government has allowed itself barely a week to set its third stage of special powers into motion. A stage which is primarily concerned with social security and which should be tied to the budgetary package as a whole before the end of the month.

Hence, all through the weekend, until 10 pm on Sunday evening, the government has tried primarily to determine the size of this package. And it set the global budget for this year at 1,463 billion francs in expenditures. Taking into account 1,141 billion francs in receipts, and a retrenchment effort on the order of 70 billion francs, the government thus hopes to settle its account this year with liabilities amounting "only" to some 252 billion francs.

So much for the large budgetary options. But prior to this, the ministers will yet have to spend the whole week talking with the employers and the unions, specifically about its third stage, the stage of social security, which shows a deficit of 42.5 billion francs.

These discussions promise to be tough, and even worse. Because of the fact that in this respect the government advocates a program of particularly "tough" measures for the workers and the social beneficiaries. Also because, as of next Tuesday, the FGTB [General Federation of Labor of Belgium] will launch a new series of street actions.

Let us briefly recall that among the whole series of measures planned by the Martens V administration, there is specifically a 1 franc additional tax per liter of gasoline; whereas, as of next Wednesday, the price of this same gasoline will go down by 0.50 francs per liter, as we announced on Saturday. The forecasts first had to be corrected, said Philippe Maystadt. Those which were developed last August -- and which anticipated a deficit on the order of 200 billion francs -- as well as those which take into account the recent measures adopted by the government.

This specification of the state's budgetary condition has produced the following results: 1,463 billion francs in current expenditures, 1,141 billion francs in receipts (including additional receipts of 3 billion francs due to the tax on the price of gasoline), and 70 billion francs in savings to be achieved in most of the departments. Which gives an overall budgetary deficit for this year of approximately 252 billion francs.

Among the savings to be achieved: 2.2 billion francs in the sector of national defense, 8 billion francs in national education, a reduction in the growth of the municipal funds, 7 billion francs in departments such as justice, interior, etcetera.

To explain all these figures, Minister of Finance Willy De Clercq based himself on a double assumption: the increase in the price index, taking into account the recent freezing measures, will be 9.7 percent. And the growth of the gross national products will vary between 0.5 and 0.7 percent in volume (between 7 and 7.5 percent in price or, in value, on the order of 8 percent). Further to be noted, still under the heading of the minister of finance, is the decision to obtain an additional 4 billion francs in new non-tax receipts yet this year. More specifically, with regard to the social security budget, Jean-Luc Dehaene was faced with a 42.5 billion franc budgetary deficit: 38.8 billion francs, which were to rise to 42.5 billion because the income from contributions will be smaller than expected, and this due to the freezing of the wage index.

Here the government has planned a whole series of measures "which will hurt," but the content of which has been reserved for the employers and unions with which he will discuss this plan yet this week.

In a general way, however, the following has been planned:

- this year, the state will pay 143.7 billion francs into social security; a figure which has been cut by approximately 23 billion francs in savings as compared to what had been anticipated;
- the changing of the patient's contribution to INAMI [National Institute for Health and Disability Insurance] and other specific measures should produce 10.4 billion francs;
- private insurance companies which administer coverage of work related accidents will grant the health insurance administration a 2 billion franc loan over a 10 year period and at an interest rate of 5 percent;
- workers' social contributions to the social security system will be increased through a solidarity contribution of 10 billion francs;
- another 10 billion francs will be recovered out of the reserves for family allowances and pensions;
- a supplementary contribution will be requested from gross taxable incomes of more than 3 million francs per year, which should yield 3 billion francs;
- in terms of family allowances, an identical lump sum will be deducted, specifically 500 francs per month (overall yield 5 billion francs), from each beneficiary household, whatever the number of children (except when the head of household is retired, unemployed or an invalid);

- an identical effort will be required from those who are single and from households without children (5 billion francs);
- finally, as far as unemployment is concerned, the state budget will reach 147 billion francs. It was calculated on the basis of an average of 520,000 unemployed individuals and will have to produce further savings of 15 billion francs.

5463  
CSO: 3100/437

## EMPLOYMENT, GOVERNMENT SUBSIDIES LISTED BY REGION

Brussels LA LIBRE BELGIQUE in French 5 Mar 82 p 3

[Article: "The Debate on the Regionalization of the National Sectors -- Contradictory and Controversial Estimates"]

[Text] On Wednesday, the government declared its willingness to "examine whether a consensus may be achieved on the appropriateness of regionalizing those sectors and, if need be, on the financing of such a reform."

The step which has been taken is considered a major one by all the observers.

The state reform law of 8 August 1980 isolated five national sectors which "because of the scope of their activity or of their specific characteristics have a great impact on the economic policy of the country as a whole." These sectors are the following: coal mining, shipbuilding and repair, glass containers, textiles and steel, including the transportation of ores and coke.

Paragraph 5 of the same Article 6 provides that "any modification of the list of the sectors recognized as national shall be determined with the agreement of each of the executive bodies through a royal decree deliberated within the Council of Ministers."

In November 1978, at the time of the Vanden Boeynants administration, it had already been decided that three industrial sectors (steel, textiles and shipbuilding) would be the object of a "similar and parallel treatment." This decision was to be confirmed on 1 April 1979.

As CRISP [Center for Socio-Political Research and Information]\* recently emphasized, the significance of the five national sectors in the economy of the country and in each of its regions, can be partly measured with the help of the turnover figures, of the amount of exports and of the amount of investments provided and approved by the authorities. But it added that the data available to calculate these indexes are usually not very comparable among themselves, as the sectoral divisions proposed by such bodies as the National Institute of Statistics or the ONSS [National Office of Social Security] do not allow an identification of the subsectors and do not cover the same information as those provided by professional organizations or even by the Ministry of Economic Affairs...

\* CRISP, COURRIER HEBDOMADAIRE, No 938 of 30 October 1981

All the figures itemized at present have been the object of criticism. Those published by the CERW [expansion unknown] in September 1980 were among the most contested. Here they are as an example (aid granted between 1977 and 1980):

Table 1.

	Wallonia	Flanders
Glass containers .....	254	128
Steel .....	16,500	8,900
Textiles .....	0,880	1,800
Shipbuilding .....	0	31,100
Coal mining .....	7,800	37,800

(in millions of francs)

It should be noted that the Ministry of Economic Affairs refers even today to the figures published in August 1981, following a response provided by Minister Claes to a parliamentary question from Mr Dillen. These figures, like the others, were not spared...

Table 2. Job Statistics per Region.

	Flanders	Wallonia	Brussels	Total
Coal mining .....	19,598	1,843	--	21,441
Steel industry .....	7,245	37,975	--	45,220
Shipbuilding and repair .....	10,115	--	--	10,115
Glass containers .....	--	--	--	3,094
Textiles .....	52,614	12,963	893	66,470
Clothing industry .....	41,013	6,111	5,521	52,645
Total .....	130,586	58,892	6,414	198,984

Source: Questions and Answers, Chamber of Representatives, 8 September 1981

Table 3. Turnover and Exports.

	Flanders	Wallonia	Total
<b>I. TURNOVER</b>			
(in millions of francs)			
Steel .....	33,000	133,000	
Shipbuilding .....			13,721.8
Glass containers .....			(6,811)
Textiles & Clothing industry .....			176,143
Coal mining .....	11,060.4	1,105.9	
<b>II. AMOUNT OF EXPORTS</b>			
Steel .....	1.9	6.3	
Shipbuilding .....			7,249.9
Glass containers .....			
Textiles & Clothing industry .....			173,900
Coal mining .....	1,189	78.9	

Source: Question from Mr Dillen on 14 August 1981 to Minister Claes.

Table 4. Breakdown of Aid by Region.

	Flanders	Wallonia
I. PRIOR TO 1980		
Coal mining (in Belgian francs 1980) .....	93,155	96,200
	49 percent	51 percent
II. AMOUNTS MADE AVAILABLE DURING FIVE YEAR PLANS		
Steel industry (79 to 85) (plan 78) .....	14,860	38,150
Textiles (80 to 85) .....	26,870	7,630
Ship repair .....	850	--
Glass containers (80 to 83) .....	--	2,750
Coal mining (80 to 85) .....	56,500	5,500
	<hr/>	<hr/>
	99,080	54,040
	65 percent	35 percent
Adjustment to 1978 steel plan .....	?	18,200
	<hr/>	<hr/>
Overall total .....	99,080	72,240
	58 percent	42 percent
III SHIPYARDS		
Prior to 1980 .....	35,000	
80 - 85 .....	24,000	
	<hr/>	
	59,000	
IV. FUND FOR INDUSTRIAL RECONVERSION (ENDOWMENT) (DRAWING RIGHT)		
	15,200	9,700
	173,200	81,940

Source: Memorandum from Mr Claes of 24 April 1981.

8463  
CSO: 3100/436

## STUDY ALLEGES COUNTRY FACING BANKRUPTCY

Nicosia CYPRUS MAIL in English 24 Mar 82 p 1

[Text] The dangers of external borrowing being used to fund budgetary deficits and maintain an artificially high standard of living instead of helping the country's productive capacity are emphasised in a study by the Cyprus Chamber of Commerce and Industry's Economic Research section.

The study agrees with the Finance Minister's policy in his budgetary address when he said that if external borrowing aims at expanding and widening productive capacity it is considered a natural and acceptable development.

But if it is used to preserve a high and rising standard of living at a time when the country is forced to transfer economic resources to the oil producing countries it amounts to mortgaging the future coming generations and should not be maintained.

Unfortunately, the Chamber says, it seems that the rising external debt is not accompanied by widening productive capacity but, on the contrary, it is accompanied by an artificially high standard of living, a standard beyond the country's capabilities.

Thus, while total gross local fixed investments are dropping, the external debt is growing.

The result is that a vicious circle of growing deficits in the current account plus external debt is leading to the bankruptcy of the economy.

The Chamber also draws attention to the increasing cost of servicing of the external debt which cost £12.2 million in 1980 but £25 million in 1982.

That is an increase of more than 100 percent in two years.

Impossible

It is impossible to expect any drastic drop in the public sector deficit without reducing a payroll which now absorbs 60 percent of the total expenditure in the ordinary budget, the Chamber says.

Moreover, it adds, the high rate of increase in the salaries of the private sector contributes to the widening deficit in the balance of payments.

It adds fuel to external borrowing, giving the same old vicious circle of increased deficits in the balance of payments and external debts.

The conclusion of the Chamber's study is that an essential for reducing external debts must be measures to reduce the budgetary deficits and to restore the productive investment capacity of the private sector.

This (if allowed to continue its downward trend, will lead to further shrinkage of productive capacity with all the inherent consequences on future developments.

Finally the Chamber appeals for an agreed (national prices and incomes policy).

CSO: 4600/388

## CYPRUS PUT IN RICH COUNTRY CATEGORY BY WORLD BANK

Nicosia CYPRUS WEEKLY in English 26 Mar 82 p 1

[Text]

**The World Bank has 'graduated' Cyprus to the ranks of the rich countries and will not make any further loans to it. The decision was announced in Washington this week by World Bank Vice-President Ernest Stern.**

From now on, Stern said, Cyprus and five other loan recipients similarly 'graduated' will have to borrow money from regular private banking circles.

Reacting to the news, Finance Minister Afxentios Afxentiou told the Cyprus Weekly yesterday that the World Bank decision had been expected "for some time."

**INTEREST**

"But it is not final, we will negotiate when it will be applied," Afxentiou added.

Cyprus has received more than £100 million in low interest loans from the World Bank to finance development projects since it became independent. Most of this amount has been repaid. The latest loan, \$12.2 million for rural road improvement projects, was concluded last week by George Hadjicostas, the Minister of Communica-

tions and Works, during a visit to the World Bank headquarters in Washington.

The World Bank, to which 142 countries belong, lends at the current rate of 11.6% interest a year to help raise living standards in poor countries. The shutting off of any additional World Bank loans to Cyprus would mean that loan financing in the future will cost considerably more, as interest would have to be paid to private banks at the prevailing market rates which are currently around 16 per cent.

Stern explained that the 'graduation' of a country begins when the average income of citizens in a borrowing country reaches \$2,650 a year.

"It's not a scientific process, the window does not close the next day," he added.

The World Bank decision will prove a further blow to the Cyprus economy, coming shortly after last month's decision by the United States government to discontinue its own financial aid of \$15 million per annum, for the same reasons cited by the Bank -- because Cyprus has become too well off to continue receiving assistance.

Another disadvantage of the cutoff of the World Bank loan facility is the prestige value attached to such bor-

rowing. This is because the World Bank carries out exhaustive studies of the economic situation in recipient countries and grants loans only after it has become satisfied that the country concerned has the ability to carry out the specific development projects for which the money is intended, and that it is also in a position to repay.

**ASSISTANCE**

The granting of World Bank loans also automatically makes it easier for a developing country to receive loans from other sources.

Finance Minister Afxentiou told the Cyprus Weekly that the Cyprus government will point out to the World Bank that though it is true the average per capita income in Cyprus has increased, the island continues to be in need of assistance to heal the wounds caused by the Turkish invasion and the continuing occupation of nearly half the island's territory, and to look after the one third of the population who have been transformed into refugees.

The other five countries 'graduated' to the ranks of the richer nations together with Cyprus by the World Bank are Oman, Trinidad and Tobago, Bahamas, Barbados and Uruguay.

CSO: 4600/388

## FOOT-AND-MOUTH DISEASE TO CAUSE GREAT ECONOMIC LOSS

Copenhagen BERLINGSKE TIDENDE in Danish 24 Mar 82 p 1

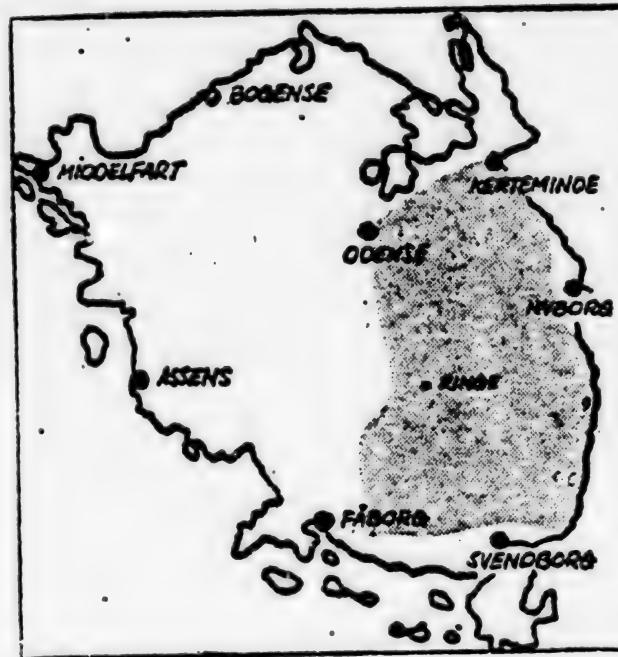
[Article by Ib Christensen]

[Text] The hoof-and-mouth disease is spreading rapidly in Funen, and there have now been a total of 5 cases. Yesterday, two additional stocks were killed at Knappendrup and at Kværndrup. Danish farmers find the situation desperate and are afraid that it will not be possible to resume the export to the United States, Canada, and Japan until 6-12 months, at the very best. An interruption of that duration will cost the agricultural sector 20 million kroner a week, or 1 billion kroner on an annual basis.

Such a loss will completely absorb the expected price increases of agricultural products which will be adopted shortly by the EC. The president of the Agricultural Council of Denmark, H. O. A. Kjeldsen, now describes the situation as desperate and requests the government to help agriculture. Incidentally, Prime Minister Anker Jørgensen stated yesterday that the negotiations on the crisis of agriculture which had collapsed, will be resumed.

The agricultural sector fears that it will take 8 years for the export to be resumed. That is the period which elapsed from the time when Denmark, in the early seventies, stopped its vaccination against the hoof-and-mouth disease, till the new major markets accepted imports of fresh meat from Denmark.

The slaughterhouses expect dismissals of slaughterhouse workers in Funen this week. Expo-Fyn has, at the slaughterhouse at Odense, had its deliveries of pigs halved. Danish Crown at Kolding (Mid-Jutland), has already dismissed 15 people as a result of the export stoppage. The only bright spot is that the other EC countries yesterday assured Denmark that they would not, on the present basis, put a stop to the import of Danish meat.



The map shows the part of Funen which has now  
been included in the area under observation

7262  
CSO: 3106/87

COUNTRY'S FOREIGN DEBT IS NOW FIVE TIMES LARGER THAN POLAND'S

Copenhagen BERLINGSKE TIDENDE in Danish 23 Mar 82 Sec III p 2

[Article by Frank Dahlgaard]

[Text] Denmark's net foreign debt is now equivalent to a net foreign debt of 22,950 kroner per capita, and it is now five times larger than Poland's foreign debt! The state and the municipalities account for the major part of the Danish foreign debt, but it is, nevertheless, the foreign debt of the private sector which, in particular, worries the Central Bank.

Denmark's foreign debt and outstanding accounts abroad as of 1 January 1982 were recently published by DANMARKS STATISTIK. The balance of payments was discussed in detail in BERLINGSKE TIDENDE on 5 March. In this article, Denmark's outstanding accounts abroad and foreign debt as of 1 January 1982 will be presented.

Denmark's foreign debt and outstanding accounts abroad are often referred to by economists as "the capital balance," but, as will be seen from the table, the figures do not really balance: as of the beginning of 1982, Denmark had a net foreign debt of 117 billion kroner. This net debt is the difference between our total gross debt of 219.5 billion kroner and our total outstanding accounts abroad of 102.5 billion kroner.

As will be seen from the table, the net debt abroad of the private sector amounts to 63 billion kroner, while the net debt abroad of the public sector amounts to 77.5 billion kroner. In the course of 1981, the net debt of the private sector increased by only 4 billion kroner, whereas the foreign debt of the public sector increased by as much as 17 billion kroner.

#### Foreign Debt of Private Sector

Approximately 32 billion kroner of the gross foreign debt of the private sector of 97.5 billion kroner are short-term debts which will fall due within the next 12 months. It is here, primarily, a question of credits in connection with the import of goods to Denmark.

This short-term debt of the private sector is normally rolled over, i.e. trade debts which have become due and have been paid are replaced by new credits. If, however, the krone rate gives rise to concern, Danish enterprises will try to expedite their payments of their debts abroad, and that may cause a drain of many billions of kroner on the country's foreign exchange holdings.

For the very purpose of avoiding such settlement of the short-term trade debt, the Central Bank keeps the domestic lending costs (the interest rate) at such a high level as to avoid a too great temptation on the part of Danish enterprises to replace foreign loans and credits by Danish ones.

#### Public Debt

Out of the outstanding accounts of the private sector abroad of 34.5 billion kroner, approximately 17 billion kroner are amounts which will fall due for payment within 12 months. Danish exporters primarily account for the outstanding accounts.

The public sector comprises in the table: the state, the municipalities, the telephone companies and the power plants. At the turn of the year, they had a gross foreign debt of 83 billion kroner, and nearly the entire public debt is long-term debt. A considerable portion of the debt was contracted by the state to finance the current balance of payments deficit, thus Denmark's foreign deficit.

The outstanding accounts abroad of the public sector of 5.5 billion kroner consist primarily of loans--often interest-free loans--to developing countries. It probably is extremely doubtful if we shall ever get that money back.

#### Ten Years with Anker Jørgensen

"The Bank Sector" in the table consists of the short-term debts and outstanding accounts abroad of the banks, the savings institutions, and the Central Bank. Here, the outstanding accounts exceed the debt by 23.5 billion kroner, and these net outstanding accounts constitute our foreign exchange holdings as of 1 January 1982.

When Prime Minister Anker Jørgensen first came into office in 1972, Denmark's total foreign net debt amounted to 17 billion kroner, equivalent to 12 percent of that year's national product. Today, nearly a decade later, our foreign debt has increased by 100 billion kroner to 117 billion kroner, equivalent to 34 percent of the national product.

The net foreign debt of 117 billion kroner is an extremely large amount. It is equivalent to a foreign debt on the part of each Dane of 22,950 kroner (and the debt keeps increasing, while the population figure is now dropping.)

## Denmark and Poland

Already in the course of 1981, the net foreign debt increased by 23 billion kroner, viz. from 94 billion kroner to 117 billion kroner. The balance of payments deficit of 1981 accounted for 12.8 billion kroner of this increase, while the appreciation of Denmark's foreign debt in consequence of higher foreign exchange rates, especially the dollar rate, accounted for the remaining 10.2 billion kroner.

Apart from Norway, no other industrial country has such a high foreign debt per capita as we now have. The Norwegian foreign debt, which is invested in oil winning equipment, is, however, now being liquidated on account of the large oil earnings, while the Danish foreign debt keeps increasing.

Even if there is so much talk about the extremely large Polish foreign debt, it is a fact that the Danish foreign debt per capita is nearly 5 times larger than the Polish debt per capita!

For Poland's 35 million inhabitants owe the countries in the West 22 billion dollars, equivalent to approximately 170 billion kroner, or 4,850 kroner per Pole. In comparison, our foreign debt per capita amounts to the said 22,950 kroner.

If, nevertheless, Poland's foreign debt problems are far greater than ours, this is, of course, due to two circumstances:

In the first place, Poland's trade with the countries in the West is extremely modest. Poland thus spends 87 percent of its total foreign exchange earnings from the West on the servicing of its foreign debt. By comparison, it may be mentioned that Denmark only spends approximately 10 percent of our foreign exchange earnings to service our foreign debt.

In the second place, there is political and economic chaos in Poland, which Denmark does not have, and that, too, makes the Danes much more creditworthy than the Poles.

Nevertheless, the Danish foreign debt is alarmingly large, and there is every indication that our foreign debt will have exceeded the 125 billion kroner mark by the summer recess.

DANMARKS STATUS OVER FOR UDLANDET 1. JAN. 1982  
 (1)

(2) MILLIARDER KR.	(3) TILGODE- HAVENDER	(4) GÆLD	NETTO- (5) GÆLD
DEN PRIVATE SEKTOR (6)	34,5	97,5	63,0
DEN OFFENTLIGE SEKTOR (7)	5,5	83,0	77,5
BANK- (8) SEKTOREN	62,5	39,0	-23,5
DET DANSKE (9) SAMFUND I ALT	102,5	219,5	117,0

Denmark's outstanding accounts and debt abroad as of 1 January 1982. This balance is usually referred to by economists as "the capital balance," but, as will be seen from the table, the figures do not actually balance. We owe 117 billion kroner net abroad.

Source: DANMARKS STATISTIK.

Key:

1. Denmark's outstanding accounts and debt abroad as of 1 January 1982	6. Private sector
2. Billion kroner	7. Public sector
3. Outstanding accounts	8. Bank sector
4. Debt	9. Danish society total
5. Net debt	

7262  
CSO: 3106/87

## SOVIETS MAKE EFFORT TO EXPORT LABORATORY INSTRUMENTS

Paris ELECTRONIQUES ACTUALITES in French 19 Feb 82 p 8

[Article by J. P. Baranes: "When the Soviet Instrument Industry Introduces Itself to French Industrialists"]

[Text] For several years the Soviet instrument industry has taken the initiative, usually at the end of December or the end of January, to make itself better known in France and in Europe.

This can mean taking part in the Physics Exposition (in 1977) or in Mesucora (in 1979), or of arranging a press trip to introduce the Franco-Soviet subsidiary Slava (in 1979). It can also mean distributing a document in French on the Soviet instrument industry, its trade relations, and its plans for taking part in expositions.

The document option was chosen in 1980 and this year. Thus, V/O Mashriborintorg, the Soviet foreign trade organization concerned with the instrument industry, has recently distributed two bulletins, No. 50 (last half of 1981) and No. 49 (first half of 1981), devoted to the instrument industry.

You can find there, for example, that in 1981 Slava imported into France 156,000 rubles' worth of Soviet oscilloscopes 10MHz (12.04 rubles = 100 French francs). Likewise, theodolites were sold to West Germany, measuring instruments for instructional purposes to Norway, and optical instruments to Great Britain, to mention only Western countries.

In this same vein, the USSR will participate in the Mesucora exhibition in Paris next December and will display lasers, microscopes, and optical glass. They will also show telecommunications measuring devices in Portugal next May, measuring and testing apparatus in Greece in September, and a large array of measuring, testing, and analytical devices in Dusseldorf, West Germany, in October, which will be part of a Soviet national exposition.

Soviet industry does not state in its bulletins its annual production volume of measuring instruments, as is done in the West; information is given on the current production within the Five-Year Plan, and it is not a question of instruments produced, but of the "type of apparatus." Between 1976 and

1980, for example, 4,500 types were produced and exported by the factories of the Ministry of "Construction of Testing and Measuring Apparatus, Automation, and Management Systems." During this same period, an average of 750 new instruments were produced each year.

Some numerical indications are given on exports--optical, physical, and total analysis instruments--the majority of which go, of course, to the socialist countries. These exports amounted to 5.7 million rubles in 1975 (4.6 to the socialist countries), 6.4 million rubles in 1977 (5.1 to the socialist countries), and 7.3 million rubles in 1979 (5.7 to the socialist countries).

It should also be noted that, in a more industrial sector, the USSR sold some 700,000 pressure gages to the Polish Metronex power station in 1980 and 323,000 pressure gages to the East German Heim-Electric power station.

Another piece of information: 900,000 devices and instruments are bought annually from Mashriborintorg by its Polish partners, most of whom are located in Warsaw.

The USSR manufactures laboratory instruments (universal testing machines, generators, frequency meters, oscilloscopes, etc.) as well as various industrial devices: precision electronic potentiometers, noncontact measuring devices, systems of microelectronic units (for use in decentralized local systems and to ensure the redundancy of numerical control channels of centralized systems), calibrating pressure gages, etc.

There is also a very large range of standard optical and laser devices.

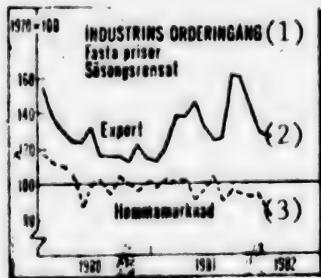
In conclusion, the very attractive form of the documents distributed by Mashriborintorg should be emphasized. The French is impeccable, technical information accompanies the sales information, and it is all interspersed with interviews with authorities, and with technical, exotic, and other types of color photos.

9720  
CSO: 3100/395

## INDUSTRY REPORTS WORST LEVEL OF ORDERS SINCE 1970

Stockholm SVENSKA DAGBLADET in Swedish 13 Mar 82 p 23

[Text] The year began badly for industry salesmen. In January orders from the export market sank further after having declined in both November and December.



Key:

1. Industrial orders received  
Fixed prices  
Seasonally adjusted
2. Export market
3. Domestic market

But on the domestic market there was a veritable collapse. After seasonal adjustment the receipt of orders was the worst of any month since the SCB [Swedish Central Bureau of Statistics] began recording in 1970. In January industry's sales to the Swedish market in fixed prices were 18 percent lower than the average for 1970.

Compared with January of last year the manufacturing industries experienced a reduction of orders of 24 percent. Steel mill sales sank by 10 percent.

Significantly better figures were noted on the export market compared with the same month last year. Orders for the timber industry increased by 24 percent, manufacturing by 17 percent and steel mills by 11 percent. Total export sales increased by 13 percent.

9287  
CSO: 3109/129

## UNEMPLOYMENT RATE SHOWS SIGNS OF LEVELING OFF

Stockholm SVENSKA DAGBLADET in Swedish 13 Mar 82 p 23

[Article by Olle Fahlen: "Unemployment Has Stopped Growing"]

[Text] The rapid increase in the number of unemployed since last fall seems to have stopped, at least temporarily.

The decline between January and February--from 153,000 to 135,000--was certainly less than normal. But adjusted for seasonal variations, unemployment has held moderately steady at a high level for several months.

Compared with the winter before, however, all the figures are much worse. Employment sank and the labor market political input increased. And each new unemployment figure is the highest ever registered for the same month since manpower investigations began.



Caption: In recent months unemployment has stopped growing, but the risk is great for a new increase.

Key: 1. Seasonally adjusted unemployment (in thousands)

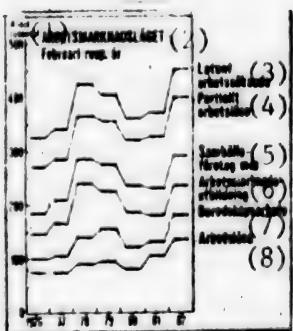
In February 450,000 people were outside the ordinary labor market, meaning that they were wholly or partially unemployed, latent jobseekers or active in different labor-political activities.

That is only 25,000 more than in the same month of 1978, which was the previous record year. But it is very probable that the number will further increase, in spite of recent stabilization of unemployment figures.

There is still no sign of an orderly improvement in business either in Sweden or abroad. The tendency toward declining interest rates in the world, which make possible reduced discount rates, is naturally positive. But that does not lead to any immediate business upturn.

That is expected to first appear in the fall--provided that interest rates continue to decline. And even after the improvement begins it will be some time before it brings declining unemployment in Sweden.

In the figures it can clearly be seen how the devaluation of 1977 and the following business upturn had positive effects on the labor market in late 1979 and 1980. At that time the international business upturn was already underway when the devaluation took place.



Caption: The latent jobseeker can and wants to work but is not looking because he believes that he can not get a job. The partial unemployed works part time but wants a full time job.

Key: 1. Number in thousands  
2. Labor market situation, in February each year  
3. Latent jobseekers  
4. Partially employed  
5. Community work, etc.  
6. Employee training  
7. Relief work  
8. Unemployed

Against that background it is difficult to see any possibilities for an improved labor market situation before some time next year at the earliest.

#### Inescapable

The government has been criticized for conducting a policy which aims at increasing unemployment. That is an extreme interpretation. But it is inescapable that an economic policy which aims at stimulating exports and making room for industrial expansion in the short term increases unemployment.

With constant full employment, employment can not be increased in industry when it wants to expand. That was the problem in the last business upturn. When industry's demand for manpower was greatest in the spring of 1980, the number of vacant positions was also the greatest in the public sector.

The result was that the expansion of industry was restrained by a lack of manpower. Then came the conflict on the labor market and the international business slump and all the curves turned down again.

Today's economic policies resemble to a large extent the ones which the Social Democrats conducted 10 years ago--even though the balance problem is now greater.

With the announced intention of improving the balance of trade by expansion of exports and industry, the domestic demand was restrained. Private consumption sank. The rate of growth in public consumption declined from 8 percent in 1970 to 2.5 percent in the 2 following years.

And unemployment grew to new record levels at the same time as the then opposition parties actively protested.

But the policy was successful. Competitive ability improved, exports increased, and the balance of trade experienced a significant surplus. Then everything changed following OPEC price increases.

The new long range analysis clearly shows that the only way to correct Sweden's balance problem is to increase exports and create possibilities for industry to expand. That also means that industrial employment must increase. The government will make room for this by restraining other sectors. And that can not occur without--temporarily--increasing unemployment.

"Effective Reply"

"The new statistics are an effective reply to the Social Democrats' criticism of the government. I have been both disturbed and sad about the blunt attacks."

Minister of Labor Ingemar Eliasson said that the new unemployment figures should cause the Social Democrats to realize the facts instead of attacking the employment policies.

"One should certainly not draw permanent conclusions, but it is clear that employment increased more than what is considered to be seasonal changes."

9287  
CSO: 3109/129

## BRIEFS

MORE TEMPORARY JOBS--Now temporary jobs are increasing at the labor offices. Four out of five new vacant positions are only short-time jobs. Of a total of 52,000 new jobs listed in February, 40,000 were for a maximum of 6 months. Most are summer jobs in health care and service. The increase in the number of vacant positions in recent months involves mostly short-time jobs. Just within health and sick care there were 10,000 such jobs. Temporary jobs dominate the offerings much more obviously today than one year ago. Another explanation as to why they comprise such a large part of the vacant positions is that employers are planning summer vacations earlier now than before. But industry is delaying. The increase in the number of vacant positions should therefore not be interpreted as a sign of a business upturn. The number of jobs in industry increased by only 300 to 3,100 during February. [By Brita-Lena Ekstrom] [Text] [Stockholm SVENSKA DAGBLADET in Swedish 13 Mar 82 p 23] 9287

CSO: 3109/129

## OZAL ASSERTS TURKEY READY TO ENTER CREDIT MARKET

Istanbul DUNYA in Turkish 6 Feb 82 p 1

[Text] After an interval of four years Turkey is getting ready to return to the European credit market. Disclosing this at a meeting held at Davos, the Deputy Prime Minister and Minister of State, Turgut Ozal, said Turkey plans to obtain \$500 million from the European credit market.

This is Turkey's first attempt to ask for credit since 1977 when it had to defer the repayment of half of its debts which right now stands at \$18 billion.

In a report THE FINANCIAL POST says western banks want Turkey to pay its \$3.2 billion debts to them between the years of 1982 and 1986.

Meanwhile, it is reported that in conjunction with the improvement of its economic conditions and balance of payments Turkey's credit standing at foreign markets show a tendency of growth. As a result of growing credit worthiness of our country the planned request for credit from the European credit market could not be described as unrealistic.

Answering our questions on the subject Dr Yuksel Ulgen, member of the teaching staff of the Istanbul University Faculty of Economics, said:

"Turkey is inexperienced and a novice in obtaining credit. Finding credit is a delicate job. In our times countries find the amount of credit they need through private consulting firms specialized in obtaining credit. These firms naturally take commission. However, they also find the required amount of credit. For example, countries like Mexico, Uruguay have already learnt this mechanism.

Turkey too will learn this mechanism after it goes through the process of trial and error as it learnt it in the export field.

Because of the trend toward improvement in the economic conditions and balance of payments our prestige is growing proportionally to this improvement. When this process peaks and our apprenticeship in obtaining credit ends larger amounts of credit could be obtained."

Meanwhile, the Director General of the Yapi and Kredi Bank, Halit Soydan, said it will be more suitable for Turkey if it employs the Turkish banking system in obtaining external credit. Stating that the estimated deficit in the balance of payments in 1982 will be about 1.52 billion Turkish Lira, Soydan said: "This deficit will be reduced to nill by credits to be secured by the Turkish banks from foreign banks. We are already holding negotiations to secure credits for our exporters, importers and investors."

Drawing attention to the existence of brokerage firms dealing in credits in New York, London and Zurich Soydan said these firms may present risk of irregularities. Soydan further said that instead of working with brokerage firms it will be more proper to cooperate with (foreign) banks on the question of finding credit, for the latters are inclined toward compromise. Noting that brokerage firms entrusted with finding credit are operating on a high margin (of commission) and with diversionary tactics Soydan stated: "I am of the opinion that the possible deficit in balance of payments in 1982 can be removed through privately obtained credits. The Turkish banks will have to undertake the task to this. This deficit will be reduced to nil by the foreign exchange credit sources of the Turkish banking system."

9558

CSO: 4654/171

## NEW MINING BILL UNDER CONSIDERATION

Istanbul CUMHURIYET in Turkish 8 Feb 82 pp 1, 11

[Text] Ankara--The draft bill, which will revoke the law No 2171 providing for the operation of mines by the state and which will "regulate the mining of borax, coal, asphaltite, phosphate and iron ores as well as raw materials for nuclear energy," is to be studied by a special committee of the Consultative Assembly. The Bill authorizes state enterprises to operate lignite (reserves) in 100 areas and iron ore in four areas. Thus, state enterprises will have 12 areas in Mugla-Yatagan-Turgutlu-Milas-Oren coal basin, 12 areas in Manis-Soma region and 15 areas in Izmir-Bergama-Kutahya-Tavşancıl region. The new draft bill annuls the power of the Council of Ministers concerning the operation of mines by the state and makes such an exercise (of powers) subject to the laws.

The Bill entrusts the TKI [Turkish Coal Enterprises] which is a state enterprise in the mining of coal, to operate seven lignite areas in the Ankara-Beypazari-Nallihan-Eskisehir-Mihaliccik region.

The Bill also provides for the mining activities by the state enterprises in the following regions: "Ten areas in Bursa-Orhaneli region; eight areas in Bursa-Keles region; six areas in Sivas-Kangal region; two areas in Bingol-Karliova region; one area in Konya-Ilgin region; twelve areas in Bolu-Boynuk-Mengen region; four areas in Aydin-Soke region; eight areas in Canakkale-Can region; and one area in Corum-Osmancik region."

The draft bill which comprises of 42 clauses provides for the operation of four areas by the state enterprises in the iron mining regions of Malatya-Hekimhan-Deveci and Adana-Feke-Attepe.

The Bill stipulates the rules regarding the return of iron and coal mines, outside the above mentioned regions, to their owners.

The Bill also introduces a clause providing for the abandonment of mining areas to be operated by the state prove, as a result of surveys and explorations, to be non-productive. Regarding the "assessment committees, compensations and transfer procedures" the same bill contains the following provisions:

"The assessment and appraisal work in mining areas to be transferred to the state shall be carried out by a 5-member committee comprising the representatives of the ministries of Energy and Natural Resources, Finance and Social Security, representatives of the enterprises that will take over the mines and the representatives of local chambers of Commerce and Industry.

The owners of right to explore and operate mines shall be paid the price of the concession after deducting amortized amount, the market value of the mine at the date of publication of the law and a 10 percent interest per annum on the expropriation price of the mine from the date of expropriation to the publication date of the law.

In calculating the amount of compensation to be paid to the concessioners mine reserves shall not be taken into account. However, market value of the movable property such as machinery, tools, vehicles and materials, the amount paid to the owners of land [by the concessioners] that has been temporarily occupied and the amount of profit to be lost after the transfer of mining right shall be paid [to the concessioners]."

According to the Bill, for the expropriations to be carried out under the law the decision (in the interest of the public) shall no longer be required. The Bill stipulates that the decision for an expropriation shall be taken by the Ministry of Energy and Natural Resources and it contains a provision that "exploration rights [previously granted] on mines to be operated by state enterprises shall be revoked."

The clause No 14 of the Bill allows appeals to the Supreme Council. The provision of the Bill on this subject says: "In the event an appeal made to the Supreme Council within the prescribed limit of time the related state enterprises shall request establishment of evidence by the Council within 15 days. The Supreme Council shall invite the interested parties [to hearing] and shall order the appraisal of the mining area within 30 days in accordance with this law and after determining all the facts related to the appeal it shall report these facts to be entered in mines and land title registers accordingly."

The names of the workers shown on the latest statement submitted to SSK [Social Insurance Organization] must before the publication of this law and the jobs of each worker shall be determined by the assessment commission in a written report and these workers shall be taken over by the related state enterprises.

In the assessment of "the length of service, wages and other benefits" of the workers at the date of their transfer the records of the Social Insurance Organization and the Taxation Department shall be taken as a basis. Regarding the calculation of seniority compensation [payment for longevity of service] the relevant clause of the draft bill says: "The amount of longevity pay of workers for the period of employment under the former owners of mining areas shall be deducted from the assessed amount of compensation determined for the mining areas transferred to the state enterprises.

According to the Bill, the state enterprises taking over the mines shall not be responsible for the unpaid Social Security Premiums and late payment fees.

Any rights established on mining areas to be operated by the state under the provisions of the law no 2172 but not covered by this Bill shall be revoked. Following the publication of the law these mining areas shall be subject to the provisions of the mining law.

Under the article 24 of the Bill, applications concerning the mining areas, operated according to the law no 2172 regarding the operation of mines by the state, have to be submitted to the Ministry of Energy and Natural Resources within a month. Following this application, all the mining areas taken back and the property expropriated by the state under the law 2172 shall be returned in their present state to their former owners in accordance with the provisions of the new law. There shall be no demand for damages and compensation in respect of these mines.

The Bill stipulates the following regarding the status of the workers at mines to be returned to their former owners: "Owners requesting the return of mining areas shall undertake the obligations toward the workers employed on mining areas, as stipulated by the Labor Code and collective agreement.

In the event of disagreement between the state enterprises and the owners [of mining rights] on the question of job security of workers employed by the enterprises, the owners shall be obliged to get back a number of workers, not less than the number of workers they transferred to the state under the law no 2172.

The amount of compensation, if there should be any, and the rules regarding such compensation to be made to workers not covered by the contract shall be decided by the Council of Ministers upon proposals by the Ministry of Energy and Natural Resources. Both employers shall be responsible for the longevity compensation of workers who worked on transferred mining areas."

The Bill stipulates that the mining areas returned to their former owners shall start production within 2 months after completion of transfer procedures. According to the Bill the mines returned to their owners have to achieve a production equal to the amount produced in the year of transfer. The former owners have also to prepare a production and investment plan to be submitted to the Ministry of Energy and Natural Resources within 6 months.

9558  
CSO: 4654/171

## ENERGY PROJECTS FAVORED IN 1982 INVESTMENT PROGRAM

Istanbul GUNAYDIN in Turkish 9 Mar 82 p 5

[Text] Ankara--The 1982 public investment program has been published in the Official Gazette. According to the program, 907,139 million lira will be spent on 7,346 public investment projects.

The energy sector takes first place among the public investment projects. Expenditures of 217,047 million lira, involving 1,236 projects are proposed for this sector. Thus, the energy sector is receiving a 24 percent share. After the energy sector come the manufacturing industry, with 18.5 percent and the transport and communications sector, with 18.3 percent.

Whereas 171,946 million lira will be spent in the manufacturing industry for 813 projects, 100,571 million lira has been allocated for 1,075 projects in the agricultural sector.

The smallest share of public investment goes to the tourism sector; 7,298 million in expenditures were proposed and 126 projects undertaken. As is known, it is proposed that the tourism sector investments be undertaken using private sector and foreign capital.

## How Much is to be Invested in Which Areas?

<u>Sector</u>	<u>No. of Projects</u>	<u>Appropriation (million TL)</u>	<u>Share (Percent)</u>
Agriculture	1,057	100,571.0	11.1
Mining	346	85,517.0	9.4
Energy	1,236	217,047.0	24.0
Transport	672	164,749.5	18.3
Manufacturing	813	171,946.5	18.5
Tourism	126	7,298.7	0.9
Housing	298	18,658.0	2.1
Education	1,207	39,789.7	4.4
Health	276	18,749.3	2.1
Other	1,315	82,813.0	9.2
<b>TOTAL</b>	<b>7,346</b>	<b>907,139.7</b>	<b>100.0</b>

Source: Official Gazette

CSO: 4654/263-P

## KETENCI ANALYZES DEFINITION OF WORKER, CIVIL SERVANT

Istanbul CUMHURIYET in Turkish 18 Feb 82 p 6

[Text] To have the status of worker or civil servant.... This has been the major question facing employees in the SEE's [State Economic Enterprises] for a long time. It has been an increasingly debated question originally introduced by the laws of 1963 which brought about the freedom of unionization in the work sector. The respective definitions of worker and civil servant in the laws in question lack sufficient clarity. The problem has become all entangled by complicated court actions, the not-so-successful trade union intercessions and, most of all, by the conflicting interpretations of the political parties in power.

Of those who do the same work in different SEE's, some are considered workers, others civil servants. Furthermore, some are considered both, though these are few in number. However, the most problematic move has been the change in status of all health services workers in the state hospitals, PTT [The Postal, Telegraph, Telephone Services] linesmen and even the janitorial staff hired by the municipalities and schools, from worker to civil servant by administrative decrees.

As worker rights were increased through collective bargaining practices in the framework of a free trade union system, those members of the SEE staff who had worker status took steps to establish their position. While trade unions were active in this pursuit, political powers almost always resorted to opposing strategies. In the long run, it was the administrative decrees and legal interpretations which proved to have the upper hand; instead of granting workers who had been continuously working in the civil service category their proper status, those who had worker status were made into civil servants. The tendency of the political powers to keep the SEE employers in civil servant status and the efforts of the workers and trade unions to protect the worker status sparked a continual conflict. Workers and civil servants who should have been naturally in the same rank were set against one another. The civil servant who did the same work as the worker at different plants or sometimes even at the same work site for lower pay and without the privileges of union rights, became the enemy of the civil servant. From time to time there have been movements, particularly among the health services personnel, to insure the passage from civil servant to worker status. And 12 September arrived before any realistic solution was found

for the worker-civil servant problem, which had become vitiated by small payoffs, hushmoney and the solutions then in vogue.

Now we await a realistic resolution of the civil servant-worker conflict through legislative amendments that will regulate work practices. However, besides this expectation of a sound solution, there are tendencies and practices which do not look at all promising with respect to the problem at hand. On the one hand, workers, particularly those employed by municipalities and some SEE's are made civil servants by administrative rulings and against their will; on the other hand, in practice--if not on purpose--differences between civil servants and workers are now made to operate to the disadvantage of the latter. Wage increases worked into contracts through resolutions reached by the YHK [Supreme Arbitration Council], reportedly in accordance with planning data and price statistics, can remain below salary increases for civil servants.

Even more important, at least there was until now some equality with respect to minimum wage practices: whenever minimum wages were increased, the increase was also applied to the salaries of civil servants. For the first time, the minimum salary for a civil servant was raised to 11,400 Turkish liras gross pay and 8,345 liras net pay by the most recent legislative changes. With lateral income, a civil servant will make at least 12,345 liras a month. However, the public announcement made by the Prime Minister in response to the growing demand over the last month by workers and trade unions for a new regulation concerning minimum wages, delivered the message that the current economic conditions were not amenable to minimum wage readjustments. If this tendency is perpetuated and no further action is taken, there will be at least a 5,000 lira gap to the worker's disadvantage, between the lowest salaried civil servant and a worker earning minimum wage. Besides this wage disparity which is new to Turkey, the new law introduces to those who wish to do so the option of a change of status from worker to civil servant.

During the wait for a sound solution to the worker-civil servant problem by legislative action, the error of this time holding down workers' wages as opposed to the former wage clampdown on civil servants, and this coupled with the new allure being given the civil service, is pushing the conflict in the opposite direction but with the same results. The worker-civil servant question cannot be solved by temporary measures and by endowing civil service with greater appeal. Western democracies have resolved the conflict by elucidating upon the definitions and granting civil servants the right to unionize.

12,019  
CSO: 4654/188

## ULUSU, ERSIN COMMENT ON 1982 BUDGET

Istanbul CUMHURIYET in Turkish 18 Feb 82 pp 1, 11

[Text] The National Security Council ratified the 1982 budget which it had begun discussing yesterday. The new budget will be in effect as of 1 March. General Nurettin Ersin, member of the MGK [National Security Council], asked during the budget talks that the SEE's [State Economic Enterprises] be rendered productive. Prime Minister Ulusu stated, "We cannot spend like a developed country while producing like an underdeveloped one."

The discussion of the budget by the MGK began at 9 am yesterday morning. Head of State Evren, who called the meeting attended by the members of the Cabinet to order, gave the floor to Prime Minister Bülend Ulusu. Ulusu gave information on the economic policies pursued by the government. "Some people may find our measures disturbing," stated the Prime Minister, "as a government we are establishing policies that aim for a just distribution of difficulties and that have the interests of the whole society at heart." He continued, "An economy which is not developing is doomed to regression. It is not possible to reconcile progress with an economic structure that cannot meet daily needs without foreign aid, has relegated production to the background and contracted apportionment fever. It is our belief that postponing sacrifices that have to be made in order to overcome the crisis would only serve to perpetuate the problems and jeopardize not only the present but also the future. We cannot expect anyone else to assume responsibility for the problems we do not or cannot face. If we want a better life as a society, we should be willing to pay the price."

Ulusu further stated that the activation of resources for projected economic stability and the acceptance of the need to increase productivity takes a long time. "It took time to accept that industrial development--which was at first not given serious consideration--only gradually effects significant structural change, imparting economic potential," Ulusu stated, "and for some the realization came only when industrial development had to come to a necessary halt." Ulusu continued as follows: "As the experience of the world has shown there is no ready prescription that would work wonders overnight for a case of underdevelopment. It is not possible to speed up development and increase affluence by inflation. We cannot spend like a developed country while producing like an underdeveloped one. Inflation does not generate real revenue; it creates a battle over revenue;

it renders the economy unfunctional and hurts the social fiber. It is easy to start inflation, but in the effort to stop it we should constantly keep in mind decreasing the difficulties that we as a society must face."

The Prime Minister pointed out that production was on the increase and that inflationary expectations did not materialize as a result of government policy. He also noted that the fight for revenue that continually presages inflation has ended. Ulusu stated further that unproductive investments constituted a burden which the society should not bear and explained that resources allocated for investment would be channeled into productive avenues.

Prime Minister Ulusu said the following with regard to the situation of state employees:

"The State Employees Act which was put in effect in 1970 with the objective of realizing a reform in the hiring and compensation system of civil servants has deviated from its original purpose due to numerous amendments and changes in regulation. It is a known fact that this has created gross inequalities in pay. Bearing this situation in mind, a bill aiming to redress the wrongs of the system with emergency measures was presented to the National Security Council on 16 October 1981 and passed into law."

General Nurettin Ersin, member of the National Security Council who then took the floor, stated that in 1982 the nation would see a budget that stresses stabilization measures. He asked that public resources be utilized in accordance with the need for services. Indicating that the failure to base budget considerations on sound principles gave rise to problems, Ersin stated: "In order to obtain the expected results from these regulations, an effort should be made to train competent personnel and supervisors and to increase the effectiveness of tax controls by stepping them up."

Ersin asked that a complete and objective implementation of tax laws should be given due importance and said: "I believe that as a society, we should be careful to save more. It is necessary to direct savings into productive investment fields."

With respect to the state employees, Ersin stated the following: "Attempts have been made to improve the living standard of civil servants in keeping with current economic conditions and the realities of the budget. However, regulations in this direction have not been finalized. The State Employees Act which was put in effect in 1970 with the objective of equalizing and balancing pay rates for civil servants and other employees and simplifying remuneration systems has not been successful in its mission and has, in fact, turned out to be more complicated than the obsolete salary classification and advancement system for civil servants. In order to preserve the viability and currency of the present personnel system, it is necessary to give it a modern structure based on sound principles and sensible criteria."

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CSO: 4654/188

## BRIEFS

TRADE WITH WESTERN AZERBAIJAN--The Agri and Western Azerbaijan governors have decided to resume border trade. According to the protocol, which was prepared at the end of the talks held between Agri Governor Kutlu Aktas and Western Azerbaijan Governors (Ali Reza Sheikh Attali). Chicken feed, barley, butter, margarine and cheese will be sent to Iran and fuel oil will be obtained in exchange. The protocol is expected to be signed following talks to be held in Ankara with an Iranian delegation which will arrive soon. [Text] [TA122014 Ankara Domestic Service in Turkish 1900 GMT 12 Apr 82]

EXPORTS TO ISLAMIC COUNTRIES--In 1981, the proportion of Turkey's exports going to Islamic countries reportedly rose dramatically from 25 percent to 46 percent. By contrast, the proportion of our exports going to OECD countries declined from 57.7 percent to 48 percent. By comparison with 1980, exports to Islamic countries rose by approximately 3 times, from \$740 million to \$2.1 billion, whereas the rate of increase for our total exports was 65 percent. The breakdown of our exports to Islamic countries, by country is as follows: Exports to Iraq rose by 4.1 times to 599 million; exports to Iran rose by 175.5 percent to \$233.7 million; exports to Libya rose by 7.3 times to \$441.5 million; Saudi Arabia increased its purchases 4.3 times, buying \$187.4 million worth of goods from Turkey. [Text] [Istanbul MILLIYET in Turkish 16 Mar 82 p 4]

CSO: 4654/263-P

## 'GUNAYDIN' ON INTERNATIONALIZING CYPRUS ISSUE

NC130844 Istanbul GUNAYDIN in Turkish 10 Apr 82 p 3

["Cyprus Letter" by Resat Akar: "The Desire for an International Conference"]

[Text] Everyone knows by now the reason for the failure to achieve any progress toward the settlement of the Cyprus dispute. While the Turkish Cypriot leadership has openly stated that it favors a "a bizonal, bicomunal federal system," the Greek Cypriot leadership insists on a settlement which will "enable all the refugees to return to their homes, and which will secure freedom of circulation and settlement."

As a result of the serious differences in the views of the two communities, nothing positive has come out of the intercommunal talks--which have been going on for years with some interruptions--and the interlocutors of both sides have been compelled to sit at the conference table "just for show."

Now, with the support of Greek Prime Minister Andreas Papandreu, it has become the main aim of the Greek Cypriot leadership to shift the Cyprus problem to an international platform.

An "international conference," which the Soviet Union has been advocating since 1974, is now being considered by the Greek and Greek Cypriot front as "the only way out" ever since Papandreu assumed power. The result has been that the Cyprus issue is being tackled with less seriousness.

On his way to Rome for talks with UN Secretary General Perez de Cuellar, president of the Greek Cypriot administration Kiprianou stressed that he would insist on the formation of an international conference. This was a clear indication that the end had come for the intercommunal talks. On the other hand, if we take into consideration the statement by TFSC President Denktas that "any resolutions adopted at an international conference not attended by Turkey and the TFSC will be invalid. Moreover, such an action will result in the discontinuation of intercommunal talks and the world will come to realize that the Cyprus issue has been settled in the way it is now," we see that the Turkish side too has taken its measures against attempts to hold an international conference.

As Kenktas has persisted in saying for a long time, the proclamation of "an independent Turkish Cypriot state" will undoubtedly materialize soon after efforts are instigated to form an international conference and then the Greek and Greek Cypriot front will be completely routed.

CLIPICAL

DENMARK

BRIEFS

DANISH HITS SOVIETS ON AFGHANISTAN--Prime Minister Anker Jørgensen hits the Soviet Union on the conditions in Afghanistan. On the occasion of the Afghanistan Day of the European Parliament, the Danish government expresses its deep regret that the Soviet Union has chosen to continue to ignore the number of proposals for a peaceful solution to the crisis in Afghanistan which have been advanced by the United Nations, by the Islamic countries, the ten EC countries, and others. "This unresponsive attitude on the part of the Soviet Union does not contribute to a peaceful solution through negotiations which may secure the right of self-determination on the part of the people of Afghanistan," says Prime Minister Anker Jørgensen, adding that this is the prerequisite for 3 million Afghan refugees' return home to a life under decent conditions in a free Afghanistan without outside interference." [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 22 Mar 82 p 7] 7262

070: 1106/87

## GREENLAND UNION LEADER WANTS CLOSER TIES TO DANISH LABOR

Copenhagen INFORMATION in Danish 22 Mar 82 p 3

[Text] The Greenland Workers' Union, SIK, intends to continue its efforts for a resumption of the interrupted cooperation with the Danish labor movement, which has given its Greenland sister organization a cold shoulder after SIK allowed its members to take on work affected by labor conflict during the strike of telegraphists in Greenland last year.

The Danish Trades Union Congress and a number of affiliated trade unions have declined an invitation from SIK to participate in a cooperation meeting to be held in Greenland in April. However, the chairman of SIK, Jens Lyberth, tells RITZAU that his organization will, in the near future, seek to get a discussion started on an agreement of joint cooperation--if not with the Danish Trades Union Congress, then with a few unions in Denmark.

The reason why SIK took the side of the opponent in the strike of telegraphists, which is something quite unheard-of within the trade union movement, undertaking functions which were otherwise safeguarded by Danes sent to Greenland, was that they wanted to stage a protest against the demands of the Danish telegraphists which would mean a further difference between the wages of the Danes and the local population. Jens Lyberth states that the basis for any resumption of the cooperation will be that the Danish unions will recognize the demands on the part of SIK for equal pay.

"I am aware of the fact that there is still a need for Danish labor to be sent to Greenland. And as long as this need exists, the Danish workers must be rewarded in one way or the other. But it is decisive for us that the income available in Greenland is the same for workers sent out from Denmark as for the native workers. We cannot accept the way in which the price level here in Greenland is being pushed up on account of the abundance of money among the Danes. They can make whatever retirement arrangements or bonus arrangements they want, which will only be paid once the workers in question return to Denmark. The decisive thing to us is what the pay packet contains here," Jens Lyberth says.

SIK also wants recognition of the principle that labor sent to Greenland shall be replaced by Greenland labor as it becomes educated and trained. In this connection, Jens Lyberth does not conceal his impression that certain Danish unions seek to cement their position in Greenland to retain the work places for their members.

"all the Inuit must only remain in Greenland as long as there is a need for them, and if this is accepted, we shall, on the other hand, be willing to promise that we shall not, in the future, take on any work affected by labor conflicts. We want, at least, to be neutral," Jensa Lyberth states, adding that it will be necessary to find some form of cooperation to prevent life from being a daily tension at the places of work in Greenland.

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ASO: 41-171

## NATIONWIDE REPERCUSSIONS OF LOWER SAXONY ELECTION VIEWED

## Changes, Reactions

Hamburg DER SPIEGEL in German 29 Mar 82 pp 22, 23, 25, 26

Text Present in Bonn's television studio were the losers and the gainers--the victors were absent.

The "Bonn Round Table" talk show, featuring prominent politicians discussing the Lower Saxony Landtag election result, assembled the party leaders of the CDU, SPD and FDP--Petra Kelly, federal chairperson of the Greens, was not invited.

Monday last week, 1 day later, the 11 elected candidates of the Greens asked for an office to be assigned them in the Landtag building. The Landtag housekeeper shrugged his shoulders--no room had been reserved for the new fraction. Thereafter it caucused quite informally on the couch and the floor of the Greens business office in Hanover.

No TV appearance, no office space, that--according to Lukas Beckman, federal secretary of the Greens--is "par for the course." Still, the business manager of the Alternatives hopes that "this must surely have been the last time."

He may be right. The "evident defeat" of the Social Democrats (SPD federal secretary Peter Glotz), the mediocre showing of the Free Democrats and the success of the Greens have indicated the future of the West German parties.

The SPD, its strength spent in 16 years of government in Bonn, must pay the price in Länder and municipalities for maintaining itself in power on the Rhine. The Greens, on the other hand, have unexpectedly turned into an important factor of the party structure by entering a fourth regional assembly, following earlier successes in Baden-Württemberg, Bremen and Berlin.

Having obtained 6.5 percent of the vote, the Alternatives in Lower Saxony catapulted over the FDP (5.9 percent) and, compared with the 1978 Landtag election, achieved the greatest increase (2.6 percent) of any party, more even than the CDU (2.0 percent).

In 71 of the 100 electoral districts the "alternative to the traditional parties" (Green program) overtook the FDP, albeit that party provides the vice-chancellor in

Bonn and dictates policy guidelines to the chancellor. As regards the forthcoming Hamburg Landtag election on 6 June, the Greens estimate their share at "near 10 percent."

Frankfurt municipal representative Jutta Ditforth boasts that, after the Hesse election on 26 September, the Alternatives may "tolerate Boerner, provided he gives up on the runway, Biblic C and the reprocessing plant."

This event is rather unlikely. However, the Alternatives at least assume that the ecologically oriented "ecopeaceniks" (SPD jargon) will continue to flourish, while the FDP must fear for its parliamentary survival. "If we continue to advance," says Green Lower Saxony representative Georg Fruck, "Germany will turn black-red-green."

In fact the Hanover decision suggests a change in the political landscape that might alter more than the power shifts in the late 1960's:

- The Greens and Alternatives who only began to organize at federal level 2 years ago, may become the third strongest party. Already they have replaced the Free Democrats in Berlin, Lower Saxony and innumerable local assemblies. To cite Berlin SPD fraction chief Hans-Jochen Vogel, "the FDP's role as the decisive weight in the political balance of power is already at risk."
- In Bonn as well as the Laender, districts and municipalities, the liberals are moving away from the SPD and, at all levels, endeavor to arrive at alliances with the CDU. "The social-liberal model," says Berlin FDP chairman Juergen Kunze, "is no longer able to produce adequate majorities."
- The SPD must therefore look for new allies, and the debate is already on whether red-green coalitions should be the aim.

Party left winger Erhard Eppler calls for "proposals how to prevent the Greens from jumping the 5 percent hurdle, or how to cooperate with them." After the Hamburg and Hesse elections at the latest, the results of such proposals might become crucial for the SPD's ability to govern. Should the Social Democrats lose power in these two assemblies, they would be finished in Bonn too.

Even the most optimistic comrades do not believe that Klaus von Dohnanyi and Holger Boerner will be able to continue governing alone. It is questionable whether the FDP will return to both these Landtags. On the other hand, if only one more federal Land swings to the Union, the CDU/CSU would have a two-thirds majority in the Bundesrat and be able for good to stymie the social-liberal coalition. "No future" for Chancellor Schmidt, proclaimed the organ of the Alternatives, the TAGESZEITUNG ("taz").

A dilemma confronts the comrades who had their poorest showing in Lower Saxony for 27 years. While the Greens divert the votes of the young, former SPD stalwarts on the left are angry about Bonn's cuts in social welfare, while those on the right are annoyed at the government's refusal to expel as many foreign workers as possible.

Moreover, the weekend before last 1,300 protesters backing SPD dissidents Karl-Heinz Jansen and Manfred Coppik met in Recklinghausen and decided on 17 June next to

establish a new left party, the "Democratic Socialists" (DS). The erosion of SPD support might well be further increased by that group--disputed by the Greens also--allegations run "party establishment from above," "fragmentation of the protest potential"), especially because the DS is putting out feelers to the Alternatives for an electoral alliance.

Many SPD members are worried that the "Neue Heimat" [New Home] scandal may cost the party votes in the June election. "In Hamburg alone," a pessimistic Chancellor Helmut Schmidt said last week, the labor union corporation with close ties to the SPD owns "40,000-50,000 apartments." Schmidt: "That is bound to cause many difficulties."

"Taz" jeers that, if the SPD continues its slide, "the Greens and Alternatives will consider the SPD an unsuitable coalition partner, due to its lack of mass backing."

While the new representatives settle down on West German Landtag benches, the FDP is dropping out of contention as a possible partner in many places. Not much is left even in Land and local politics of that "historic alliance" once praised so highly by social-liberal Werner Maihofer.

Since 1977, when the Saarland Free Democrats--earlier firmly wedded to the alliance with the SPD--used a stalemate in the Landtag to embrace the CDU, the comrades have not really been able to rely on majorities with the FDP as a partner. The seats of the social-liberal did not suffice to establish a coalition government after either the assembly elections in Schleswig-Holstein or Berlin. The days are past when the comrades were able and willing to nurse along the ailing FDP with votes "loaned" from the SPD reservoir.

The steady decrease in the affection between Social and Free Democrats is due mainly to the change in the FDP's interpretation of its options. The liberals have gone in the march everywhere--away from the SPD and toward the CDU.

During the Lower Saxony election, for instance, FDP Land chairman Heinrich Juergens had no qualms about his party's inclination to join with the "strongest political force," in other words the CDU. Ever since last September's local elections, all major municipalities in Ernst Albrecht's Land (with the exception of Hanover) are governed by Free and Christian Democrats.

Liberal FDP executive member William Borm notes "an effort to change the face of the party" on the right wing everywhere. In Bavaria, FDP fraction chairman Helmut Jaeger advocates a "change of coalition in Hamburg and Bonn." In Baden-Wuerttemberg, party chief Juergen Morlok dismisses coalitions with Social Democrats and Communists. "The SPD will always be a 30 percent party."

Palatinate Hans-Otto Scholl was obliged by some dark scandal to retire from his party leadership, though lately he still became fraction chief in the state. He feels impelled toward the Union: Scholl wants to be appointed minister. Then it Bernhard Vogel's CDU should again achieve the absolute majority in 1983. And in Berlin, where the liberals are hopelessly at odds on the coalition issue, the present situation amounts to "catch as catch can" with regard to the new orientation (to quote Bonn FDP fraction vice chairman Hans-Guenter Hoppe).

The liberals change in direction is also very obvious in North Rhine-Westphalia: At the congress of this, the strongest Land federation (26,000 members), party right wingers Juergen Moellemann and Otto Graf Lambsdorff were elected deputies to left liberal chairman Burkhard Hirsch only 2 weeks ago.

Totally disagreeing with the new direction, the Hamburg Land federation of the Young Democrats decided to break away from the party. Six months before the election Judes /Young Democrats/ defected en masse to the Alternatives because in Hamburg (rather like Berlin) entire district federations are infiltrated by brokers, painters, varnishers and taxi owners who, evidently on the recommendation of federation officials, collectively join FDP sections with unstable majorities (SPIEGEL No 51/ 1981).

Some Free Democrats have highly unusual plans for making sure of involvement in the government even after the change in the party landscape. In Berlin--where party chief Kunze fears that the liberals might "journey back into the past and merely fill gaps in the CDU"--fraction right winger Juergen Dittberner proclaims:

"As the entry of the fourth party in parliament must be expected in the federation itself and all other federal Laender, the FDP will in future have to issue 'dual coalition statements' by initially designating the desired alliance in case of a parliamentary stalemate, at the same time clearly indicating its readiness for a coalition with the other traditional party."

Hesse Free Democrats also are acting very cautiously. They intend to commit themselves only after the Hamburg election and wait whether the voters will in fact reward coalition promises to the SPD. It is evident, though, that many liberals would prefer a change in Wiesbaden. "We will certainly not become a 'stop Dregger' movement," is the promise by Otto Wilke, fraction chief in the Hesse Landtag.

Land chairman Ekkehard Gries fears "to be dragged down by the SPD disaster." Party friends let it be known that Free Democrat Klaus Juergen Hoffie already proclaimed the divorce: "We have no future with them, we simply have to get out."

The liberals desertion and the decline of their own party compel the Social Democrats to discuss whether possibly the new third force might be considered as a coalition partner. The debate is concerned with the issue whether and how social-liberal alliances could be replaced by red-green coalitions.

Ever since 1977, when the Greens achieved their first local election successes, some comrades have wondered how to deal with the new movement. Unfortunately, while they were still disputing that the alternative concepts, attractive especially to young voters, contained anything useful for the SPD, the party rank and file had long been infected. Topics claimed as their own by the Greens are increasingly preoccupying the Social Democrats too. At local level Greens and comrades frequently cooperate very closely indeed.

Of course there are profound divergences between laborers wearing silver ties and labor union badges on the one hand and the sneaker parliamentarians on the other.

SPD career politicians have trouble digesting the fact that Green representatives, in Lower Saxony, for example, intend to quit after 2 years to let new blood in; that they hand over the major part of their daily expense allowances to an "eco fund" for organic farmers and keep only DM1,800 per person and month (plus DM450 per child).

It is only natural, therefore, that the Alternatives are suspect to North Rhine-Westphalian minister-president Johannes Rau and many others, "for their rank and file, even council Soviet democratic self-definition and the intention to take turns in holding parliamentary seats."

Other comrades, though, now acknowledge that it is possible to be political bedfellows with the ecos (Bonn's SPD fraction vice-chairman Wolfgang Roth: "Five Greens, seven opinions"), and Baden-Wuerttemberg SPD chairman Ulrich Lang warns, "it would be a mistake to throw out the window the plates off which we might eventually want to dine."

His advice is followed in Berlin-Kreuzberg. There the Greens helped push through an SPD legislative motion on housing policy by virtue of which almost all owners of squatted buildings agreed to a moratorium until Easter. The SPD elected an applicant proposed by the Alternatives to be the city councilor for construction; since then the "Kreuzberg model" has received attention all over the FRG.

In Bielefeld the SPD enacted the local budget with the help of the Greens and against stiff CDU resistance. In Marburg city hall chief mayor Hanno Drechsler (SPD) temporarily governed with a "traffic light coalition," made up of reds, greens and (liberal) ambers.

In Kassel former Young Socialist Hans Eichel was reelected chief mayor last year with the help of Green votes; since then Eichel is dubbed in Hesse "the pink panther with the green tail" (FRANKFURTER RUNDSCHAU).

It is a matter of dispute among the Social Democrats whether future Land and federal politics are to take these instances as examples. Many approve the doctrine of political scientist Richard Loewenthal who warns the party against "injurious ideas." It should not run after those "who made an ideology of ecology and believe that mankind has lost its way on the road to the industrial society."

Similar arguments are advanced by Holger Boerner whose Hesse Land government has gotten into trouble with the Greens favorite topics, Nuclear power and the construction of the runway. For this if no other reasons he does not even consider a coalition with his adversaries. In Kiel Comrade Klaus Matthiesen is soured on the Greens because in 1979 the candidates of the Alternative list spoilt his chances of becoming the governing CDU.

Monday of last week party chief Willy Brandt issued the official line. The Lower Saxony election result demonstrates "the dangers involved in a temporary four party system." "This development proceeds uniquely at the expense of the progressive forces." The former chancellor continues to insist that "the SPD takes up the justified concerns of the Greens."

Two days before, in Stuttgart, the SPD Laender fraction chairmen decided to keep their distance from the ecologists. Alliances with the Greens, they said, were "textually unjustifiable"; the fraction chiefs consider that they conceal "an indefensible element of instability." Still, the opposite opinion is gaining ground.

More and more SPD leftists who, like Erhard Eppler, had long predicted the loss of votes for the party, say that the SPD must not exclude the possibility of red-green alliances, at least in the medium and long run. If the party were not able or willing any longer to integrate marginal groups, it needed at least for reasons of sheer numbers to consider voting and even forming cabinet coalitions with them.

True, Eppler does recommend that the comrades "should closely scrutinize the respective fractions." In principle, though, he holds "that there is no majority left of the CDU against the peace movement, against the ecological movement." North Rhine-Westphalian labor minister Prof Friedhelm Farthmann therefore advises the comrades to adjust to the changed party structure. "Should there be groups of Greens with whom a reliable part of Social Democrat concepts could be realized at municipal or Land level I would have no objection to the majorities for a government sustained by the SPD to come from that corner."

Party philosopher Hans-Jochen Vogel, sitting on the opposition benches in Berlin together with the Alternatives, also considers possible agreements between comrades and Greens. The prerequisite for this would be the SPD's internal renewal while in opposition and its renunciation of the claim to be the sole representative of everything active left of center.

The Greens are less at odds on the issue of a coalition. Several polls have shown that they consider themselves left of the SPD, and that public opinion agrees with them (SPIEGEL No 15/1981).

According to Verena Friege, member of the North Rhine-Westphalia Land executive, the Greens are "basically opposed to coalitions." They are agreed, on the other hand, that they are quite amenable to a consensus on single issues.

Agreements on issues are facilitated by the circumstance that many Greens are former Social Democrats, for example EEC official Petra Kelly or lawyer Regula Schmidt-Bott. The latter in fact was a member of the Hamburg SPD's executive only last year and now wishes to represent the Alternatives in the legislature.

After the June election Hamburg may offer the first example of cooperation in a Land assembly: The almost 10 percent obtained by Green candidates in the Lower Saxony vicinity of the Hanseatic city suggest that the Alternatives will succeed in their assault on the assembly. The Greens and Multicoloreds just barely missed the 5 percent target in 1978, when the SPD in Hans-Ulrich Klose had a candidate attractive to the Alternatives also.

In the opinion of SPD members Klose's successor Klaus von Dohnanyi is more likely by his pinstripe image to further strengthen the trend displayed in Lower Saxony. The mayor might well cause young voters especially to defect to the new party. Already 5 years ago 20 percent of them voted for the Alternatives--despite Klose.

it is therefore quite possible that the forecast of Hamburg election expert Andreas Kohlsche may come close to the eventual result: The CDU to achieve 42.5 percent, the SPD 41.5 percent; the Free Democrats 6.5 percent and the Alternatives will also be represented in the assembly. In that case only a single pair of parties could achieve a workable majority--SPD plus Greens--always excluding a grand coalition.

Immediately after the Lower Saxony election, Hamburg Young Socialists called upon the SPD in any case to submit the "first coalition offer" to the Alternatives rather than to the FDP. Jusos are hard at work developing a "Hamburg model" for the Bonn Government of the late 1980's or 1990's: "If we must have a coalition," one of them said in jest, "we should rather be blackmailed by Daniel Cohn-Bendit than by Graf Lambsdorff."

Last week Klaus von Dohnanyi brutally awakened the young comrades from such dreams. The SPD's top candidate uttered this comment on the Greens: "For me they simply do not exist as a party."

#### SPD Loss

Hamburg DER SPIEGEL in German 29 Mar 82 pp 24-25.

/Text/ Willy Brandt, party chairman in the Bonn barracks, called upon Lower Saxon Social Democrats "to come as close as possible to the goal of once again impressing their features on politics in and for Lower Saxony."

After the Landtag of 21 March last, the Lower Saxony SPD, led by top candidate Karl Ravens and in receipt of only 36.5 percent of the vote, is farther removed from that goal than ever before. Until 1976, when Ernst Albrecht emerged victorious, the Land had almost always been ruled by the Social Democrats, or at least governed with their help. Now it appears to the comrades there that they might as well be in Baden-Wuerttemberg.

Exactly like they did in the black southwest, the CDU succeeded in formerly red Lower Saxony not only (and for the first time) to obtain the absolute majority of votes (50.7 percent) but also to be able to govern alone in the Landtag with an absolute majority of seats, confronting three opposition fractions--SPD, Greens, FDP.

"Our citizens," says old and new minister president Ernst Albrecht, radiant as the morning sun, "have decided to make the situation perfectly clear." In truth the CDU conquered no less than 87 of the 100 electoral districts, 26 more than 4 years ago. Albrecht would love this result "to be converted to the results that would have been achieved if we had the English electoral system."

Admittedly, in the new Landtag the CDU has a majority of only 3 seats compared with 11 in the previous session. On the other hand the opposition is no longer a uniform bloc consisting of Social Democrats only--and therefore quite manageable for someone like Ernst Albrecht.

The 87 CDU representatives sworn to fealty to their head of government by Land chairman Wilfried Hasselmann with the slogan "anything helping Albrecht is something

done well," are facing three fractions who do not have much in common: 63 Social Democrats, 11 Greens, 10 liberals. The Greens are there for the first time, the Hanover liberals are called the "revolving door party" because they are in, out, in--currently in once again.

That is certainly not the result hoped for by Karl Ravens, recommended to the voters as the "man of the working strata and their families." His plan had been at least "to deprive Ernst Albrecht of the absolute majority." At present he needs to find consolation in the distant past: "The party has survived far worse times."

Voters deserted the SPD all over the Land. They inflicted up to 10.8 minus points on the Social Democrats (in the Frisian Jever electoral district), 5.7 points in the Land average. Ravens admits that there was "a relatively even trend."

Lost were seven electoral districts where the Social Democrats used to harvest 50 percent and more of the vote. They include the steel city Salzgitter where SPD candidate and works fitter Dieter Mansel had to admit: "It was impossible to catch up with the CDU." HMaubrg SPD comrades must feel the greatest anxiety about results in the Green vicinity of that Hanseatic city with elections due in June next: Seevetal 10.2 percent, Buchholz 9.6 percent losses.

The election analysts at Bad Godesberg's Infas Institute were "not surprised" by the landslide. They see merely a continuation of the "trend" that had been more than clearly demonstrated at the local elections in Lower Saxony and Schleswig-Holstein: A "definite direction of votes floating away from the SPD" (see graph).

Former SPD followers migrated in all directions: In the exchange of voters with the CDU the Social Democrats suffered a net loss of 55,000; the Greens and the FDP benefited with 50,000 each from SPD desertions. And 36,000 former SPD voters stayed home--in line with the Sponti slogan: "Just think, here is an election, and nobody comes."

\* As the Infas migration balance\* shows, these SPD losses could not be compensated by the balance of population movements: In the 1980 Bundestag elections, the SPD had profited substantially from the generation shift; this time it suffered a loss of 10,000 votes--many young voters totally reject the party.

Local peculiarities make for differences from such general Land trends: In university cities such as Oldenburg and Goettingen, "where there is relatively strong sensitivity to environmental issues" (Infas), the Greens gained "definitely more than CDU and FDP combined." In the middle class suburbs of large cities, for example those around Bremen, the CDU and FDP profited more than the Greens from SPD losses.

The drift to the alternative current earned the Greens 6.5 percent; in 1978 they only managed 3.9 percent and had to remain outsiders. Now they stayed below the 5-percent mark in only 13 electoral districts, especially "where the desire for modernization still appeared to be prevalent" (Infas), such as the south Lower Saxony regions bordering on the GDR. The best Green result occurred in Luechow-Dannenberg

\* Infas tried by a poll to get to the bottom of the voter migrations that are very hard to ascertain methodologically. The results of selected representative polling stations were combined with a "simulation" based on computer data on the population structure and earlier voting behavior. Migration balances were computed by the approximations thereby achieved.

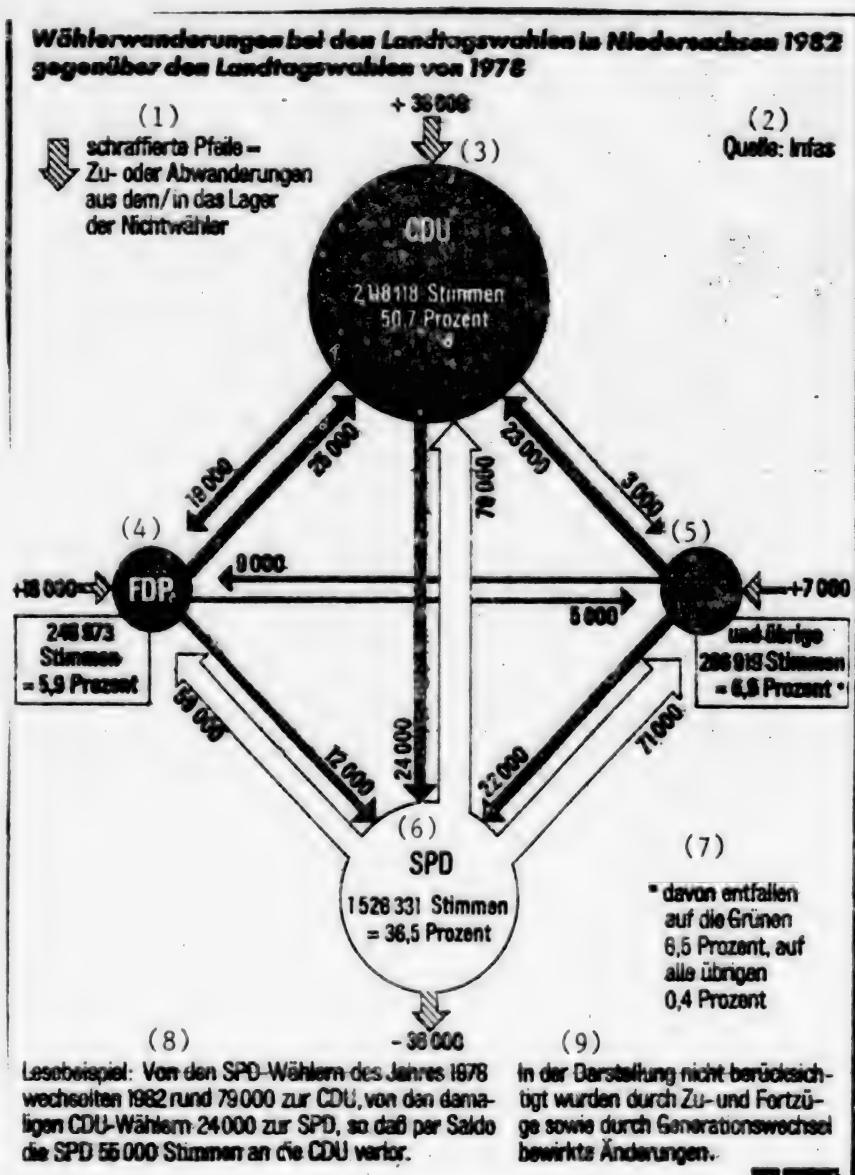
where Gorleben is located. There they got 14.1 percent, although the CDU majority remained absolute.

The FDP had to be satisfied with 5.9 percent and fourth place. As Ernst Albrecht commented, it "certainly has no reason to rejoice either." SPD strategists allge that, as late as last January, the liberals had had a "potential 10 percent." The Land FDP had then "turned to jelly" (Ravens) and anxiously avoided issuing a clear coalition statement. This is alleged to have damaged it with its sympathizers. Even CDU general secretary Dietrich Haassengier eventually considered "rather incomprehensibe what the FDP really wants, except that it wants to reenter the Landtag."

Since election night the "model Lower Saxony," Albrecht's vision of a Hanoverian CDU/FDP coalition to serve as a model for Bonn, has faded away. Not only does Albrecht foresee "later effects" for the entire FRG, he already has an inkling of what these will be: "More than 50 percent--we can surely achieve that in the Federal Republic as a whole"--of course with him as the chancellor candidate.

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Voter Migrations at 1982 Landtag Elections in Lower Saxony Compared with 1978 Landtag Elections



Key:

1. Cross-hatched arrows show migration to or from/to the camp of nonvoters
2. Source: Infas
3. CDU: 2,118,118 votes = 50.7 percent
4. FDP: 246,973 votes = 5.9 percent
5. Greens and others: 286,919 votes = 6.9 percent\*
6. SPD: 1,526,331 votes = 36.5 percent
7. \* The Greens obtained 6.5 percent, all others 0.4 percent
8. Example: Roughly 79,000 1978 SPD voters changed over to the CDU; 24,000 former CDU voters to the SPD, so that the SPD lost to the CDU an adjusted total of 55,000 votes.
9. Not taken into consideration in the graph were changes caused by population movements or the generation change.

## COMMUNIST PARTY FACTIONS MANEUVER FOR CONGRESS BATTLE

Majority's Organ On Conference

Helsinki KANSAN UUTISET in Finnish 30 Mar 82 p 2

[Editorial: "After the Conference"]

[Text] A one-sided picture has come out of the party conference held in Tampere over the weekend. In certain press releases of the mass media the conference was described as an event in which conflicts prevailed and the eve of a party split was apparent.

Such an impression could be received on the basis of certain speeches. But such a description, however, casts a shadow over the positive aspect of the conference, a many-sided discussion of political problems which was conducted in the work groups, in particular. In spite of all the so-called disputes, a real serious discussion has not been held in the party in recent years, and a significant portion of the party's younger members want such a discussion and whatever the party's future may be, a discussion of the policy line of the party and the leftwing workers' movement is inevitable.

Unfortunately, only one statement, the one presented by the party's vice chairman, above all, was made public from Sunday's work at the party conference. In this statement the party's future was painted in gloomy colors, a large number of political solutions was demanded along with an immediate convening of the Central Committee to discuss these issues.

This demand is exceptional. The Central Committee has discussed the issues of the extraordinary congress at two meetings already, most recently a week ago. There is still one more meeting scheduled. The Central Committee has discussed the preparations in a very democratic manner. The outline of the policy document and the question concerning the selection of a new leadership is currently being discussed in the party's organizations and the factions to be represented at the congress. The Central Committee could convene even every weekend, but it is doubtful that it can accomplish anything more than it has already accomplished.

The most encouraging aspect of this conference were the statements by the party's younger members, in which it was decisively demanded that the party

abandon its historical backwardness and begin an era of reform and reconstruction. Since there are many such opinions, they should also be taken into consideration in planning the party's new future in the preparations for the extraordinary congress.

Stalinist Organ On Tampere Conference

Helsinki TIEDONANTAJA in Finnish 30 Mar 82 p 2

[Editorial: "Party Conference"]

[Text] The SKP [Finnish Communist Party] party conference in Tampere indicated that it is possible to discuss issues in a relevant manner in spite of the fact that there are differing opinions on many issues. In addition, the conference indicated that there are many such party members who are of the opinion that in any event actions and policies are decisive. In the opinion of these comrades discussion for the sake of discussion, a flexible dispute, and other such issues are of less importance than political action based on party decisions, which do not at all prohibit a discussion, but give it a rational basis.

Even though the results of this discussion can be reduced to an idea according to which a discussion is merely a good thing, it must, on the other hand, be said that in the course of the discussion emphasis was placed on two somewhat, perhaps even very much, differing issues.

The difference can be expressed as follows: there were those who saw the emphasis on principles as an opposition to a new quest and then there were those who considered it evident that the significance and value of principles developed according to lasting qualities and conditions lie in the fact that it is on their basis that one can best see what is indeed new and what is an artificial dispute, which will not provide the listener with one single new idea. Unless the rather strong criticism of the SKP and the cheap stories, according to which the SKP is now one and for all and in all issues two or three rounds behind world development or at least Finland's development, can be then considered as something new.

However, the chief result of the conference was indeed the fact that the overwhelming majority wanted to discuss issues in such a way that the extraordinary congres can succeed in keeping the party together. But it must also be said that it was apparent that there is an "alliance", although being formed instinctively, which is composed of various forces: a peculiar league of those who are keeping the SKP's principles in force and on this basis ensuring the unity of the SKP and those who are out to get revenge. Opposition to TIEDONANTAJA and the absence of a relavant discussion on the SKP's principles and proletarian internationalism were characteristic of this league. These deficiencies were indeed obvious.

If the SKP's situation is evaluated on this basis, everything is possible. Keeping the party together is possible. But one cannot close one's eyes to great dangers also.

Tampere Conference Inconclusive

Helsinki HELSINGIN SANOMAT in Finnish 29 Mar 82 p 11

[Article: "SKP Meeting Avoided Selections of Future Personnel"]

[Text] The Finnish Communist Party concluded its 2-day conference in Tampere on Sunday, at which the party's internal situation was discussed by 1,200 Communists. The meeting did not deal with forthcoming personnel changes in the party leadership at least in public speeches.

The meeting in Tampere attempted to find ideological as well as practical policy prospects for unifying the party so that the SKP, which is faced with the threat of a complete split, can continue as a unified party.

No decisions were made in Tampere. Decisions concerning the future of the SKP will be made at the extraordinary congress, which will be held in Helsinki in the middle of May.

The evaluations after the Tampere conference concerning the SKP's prospects for restoring unity fluctuated from cautious optimism to gloomy pessimism.

SKP Vice Chairman Taisto Sinisalo considered the situation to be quite serious and the threat of a party split to be real. Sinisalo, who accused the majority Communists and the party's "rightwing trend", stated that it is not possible to just wait for the extraordinary congress with folded hands, but there is much work to be done in order for the congress to succeed.

MP Arvo Kemppainen, who is one of the most visible leaders of the SKP's northern rebellion movement, stated that the party will not be saved with mere speeches. Kemppainen pointed out that there will be different people making decisions at the congress than there were in Tampere.

The SKP's congress will have to decide on the party's new leadership, among other things, since Aarne Saarinen, who has grown weary of the conflicts, has announced that he will resign. Saarinen's withdrawal has been seen to mean that Sinisalo will also leave.

SKP First Secretary Arvo Aalto has been considered as the strongest contender for Saarinen's position. Also Jouko Kajanoja's and Jarmo Wahlstrom's names have been mentioned in the chairmanship race.

The front line within the party no longer travels along a straight line between Taistoites and Saarinenites. There are now several factions which have rejected the old strict division in the party and each has its own medicine for the party's ills.

Discussion Incomplete

A total of approximately 180 speeches were delivered in the eight work groups and in the general discussion at the conference in Tampere. Because of a lack of time, 40 speeches were not given in the general discussion.

The work group dealing with the SKP's chief policy line had the most participants. The need for party unity was emphasized in the work groups as well as in the general discussion. Communist actions for resolving disputes in the Metal Workers' Union, among other things, were offered as a model.

SKP Education Secretary Erkki Rautee, who delivered the concluding speech at the conference, considered that this meeting demonstrated that the discussion within the party is only just beginning -- only now is there a grip on the real problems and a new kind of deliberation of these problems. "Instead of fruitless arguing, the work groups are involved in real ideological deliberations," estimated Rautee to applause from the audience.

According to Rautee the fate of the party for the decades ahead will be the question at the extraordinary congress. He states that the Tampere conference demonstrated that Communists have not been condemned to an eternal internal conflict, but the salvation of the party is possible.

#### Conservative Paper Views Infighting

Helsinki UUSI SUOMI in Finnish 27 Mar 82 p 1

[Article by Tuomas Keskinen: "SKP Splitting Up Into New Era"]

[Text] The Finnish Communist Party will split into two entities in May.

Now more decisive arguments are being sought.

The strongest candidate for chairman is probably Arvo Aalto and Osmo Buller for first secretary.

No Taistoite will become a vice chairman.

Internal discipline within the factions will be the watchword when the Communists march into their extraordinary congress in May. The demanding of unity within the factions means the same as the splitting of the party, its dissolution.

Chairman Aarne Saarinen will take advantage of this extraordinary situation and resign. The assurance of this is twofold since the new Central Committee will no longer elect him.

Saarinen's resignation also means Taisto Sinisalo's departure. This will be accomplished forcibly. Thus the concepts "Saarinenites" and "Taistoites" will be relegated to gather dust on the covers of documents dealing with political history. There there will be no lack of company since it is doubtful that in no other country are personality struggles so enthusiastically connected with doctrines as in little Finland.

A politician who does not become an ism is not worth anything.

But even the most ardent individual promoting the resignations of Saarinen and Sinisalo hardly believes that the conflict will end there. From there it seems it is only just beginning. It is an unavoidable continuation of the SKP congress in 1966. The conflict continues to be irreconcilable.

The only settlement is the complete dissolution of the party.

Now it is being asked who will be chairman. The most suitable and competent individual will be found by the middle of May. First Secretary Arvo Aalto, Labor Minister Jouko Kajanoja, and Chairman Aarno Aitamurto of the Construction Workers' Union are at the top of the free competition. SAK [Finnish Confederation of Trade Unions] Second Chairman Olavi Hanninen, who has declined to run, and Communications Minister Jarmo Wahlstrom, who is vacillating should not be completely discounted.

#### Aalto's Maneuvering

The most interesting among them is Aalto, who is considered to be a power broker. A year ago he gave up his minister's portfolio when the party was running away from the hands of the leadership. Last summer he would have been elected chairman if he had dared to consent.

After that, Aalto's positions began to weaken, surprisingly.

Several reasons have been given: "He was a minister too long, he wanted to be." "He is presumptuous, arrogant, and arbitrary."

It is asked what caused a man of power bursting with energy to go down hill. On the other hand, it is said that Aalto is once again on the rise: "There was a phase when his possibilities became almost nonexistent, but now his position is improving," it is being said.

The Taistoites are concerned that Aalto is the strongest candidate, "alarmingly strong".

Everything began with Aalto's shift to the left. Even before the 19th Congress he began to become closer to the Taistoites. He obtained Leevi Lehto for himself and even found a salaried position in the party office for Juhani Ruotsalo, who has been the editor of Taisto Sinisalo's pamphlet.

Lehto and Ruotsalo commenced to set up a new, independent line of compromise between the Saarinenites and the Taistoites, a line which was supposed to become the seed of party conciliation. First Secretary Aalto supported this line.

He also brought along his protege Jouko Kajanoja, whom he had just made the labor minister. Kajanoja became the chairman of the work group preparing the theses for the party congress. The minister became so enthusiastic about this project -- apparently with Leevi Lehto and Juhani Ruotsalo -- that there was talk in the party about a "takeover by intellectuals". Kajanoja's theses were changed before they were published in KANSAN UUTISET.

Kajanoja suffered a kind of defeat in this and political differences appeared between him and his mentor, Arvo Aalto. When Aalto noticed what had happened, he put distance between himself and the undertaking. Aalto rejected the third line even though he had improved his relations with the Taistoites by means of it and had received a positive reception even from the direction of the large fraternal party. Naturally, it would have meant a political setback, but possibly the restoration of trust in his own camp, on the other hand.

#### Fear of Hooligans

Lehto's and Ruotsalo's third line continues to exist and is functioning independently. The majority's suspicions are being directed toward it for the reason that they believe its purpose is to postpone the operation on the party's ills, a delaying action.

The Taistoites' strategies approve of the functioning of this line, but only in this situation so that with its help a victory by the "hooligans" can be prevented. The biggest hooligans are, of course, MP and Politburo member Arvo Kemppainen and the movement of northern Communists.

Lehto and Ruotsalo along with many others are presently attempting to explain the party's situation at the conference in Tampere. However, it is only talk, shop talk. This peculiar party conference was originally a Taistoite subterfuge to prevent the convening of the extraordinary congress. Since they did not succeed in this, the conference became a waste of time.

Some in the SKP consider Arvo Aalto's position to be so weak that he will not even aspire to the chairmanship position, but will be satisfied if he can retain the first secretary's position. The same opinion predicts that if a chairman were to be elected now, the victor would be Jouko Kajanoja, whom, it is argued, Aalto even supports.

Perhaps this information is already obsolete.

#### Buller As Secretary

But if Aalto becomes chairman or is forced to resign from the first secretary's position, the strongest candidate for his position is Osmo Buller, the former district secretary from Oulu. He will soon receive a master's degree in political science from Oulu University. Buller is a favorite of the northern rebellion movement and will certainly be difficult to ignore.

Even before last summer's congress there was talk that only one vice chairman will be elected for the party. At that time the position was still being set aside for a Taistoite. However, two were elected, Sinisalo and Maija-Liisa Halonen.

Now once again there is talk about observing the party regulations and the complete elimination of this partisan division. The regulations mention only a vice chairmanship, in the singular. This time the position will not be given to the minority if advance statements are to be believed.

Thus it is not sufficient that Sinisalo drop out, Seppo Toivainen will not take his place either.

In announcing his resignation Aarne Saarinen has considered it possible that he will remain in the party leadership, thus in the Politburo. This kind of talk is not pleasing to the majority's generals. The purpose of this move is seen as an attempt to keep Sinisalo in the Politburo also along with Saarinen. This is no good, it is being said, and the men from the north no longer want even one Saarinenite in the leadership organs.

#### Where Will The Break Come

But what is most important is that the partisan division will now last, on both sides. The majority knows that if all of them are not resolute, as was the case last summer, the whole party will fall into the hands of the minority. This will increase solidarity and Arvo Kemppainen's and friends' opportunity to dictate solutions.

No compromises are in the offing; the minority is faced with either unconditional surrender or its departure from the party.

The movers in the majority faction consider it absolutely certain that the SKP will indeed split this time. It is more a question of where the split will occur and how many people the departing minority will take with it.

The estimate fluctuates between two people and whole district organizations.

This is even reflected by the voice of the minority that nothing will come of surrendering. It says that Sinisalo will be retained, sincerely and for a long time. It also says that Arvo Aalto will not work, a "historical compromise" will not work, and government cooperation between the SKP and the Conservative Party will not work.

Preparations must be made for all circumstances, causes and consequences. It is argued that the minority is now zealously deliberating the issue by which the party will be split, the decisive question. What means can be used to attract the largest possible group. The whole party membership will not leave.

The mere act of walking out does not mean the establishment of a new party, they have marched out before from the Cultural House. But under these conditions there will no longer be any return.

#### A New Party

The uncompromising nature of this partisan division is well reflected in the fact that both factions have compiled their own theses; there are Kajanoja's theses and Sinisalo's, Jokinen's, and Toivainen's theses. Thus the question is also one concerning the party platform, doctrine, and faith.

From the Taistoite theses one can find justification for the establishment of a new party. TIEDONANTAJA published the following in its supplement on 25 March: "The SKP has glorious traditions as a struggling Marxist-Leninist and internationalist party, an integral part of the international communist movement. It was founded as such a party. It should be developed as such a party. Such a party is needed in our country".

Such a party! It does not now exist?

District Secretary Markus Kainulainen from Uusimaa and his Turku colleague Toivo Forss have now been mentioned as the Taistoite faction's most zealous men.

Evidence has been found for the establishment of their own party. Turku's prosperous and powerful trade union sections have established foundations for the protection of their property. For example, metal workers' section 49 owns two city blocks in Turku and several islands. District and local sections in Turku have also been involved in the establishment of foundations.

The possibility of the establishment of a new party is not completely rejected within the Taistoite group. In the extreme case -- it is said -- it is considered possible.

The future of a new party would not appear to be rosy, but then again a Finn does not believe until he has seen. Perhaps we will even see this miracle.

Of course, such a split would seriously weaken the whole communist movement, but this does not seem to be a primary concern of the Communists.

At least in Finland there is no need to oppose communism, they are doing that themselves.

Kajanoja, Aitomurto Campaign for Chairmanship

Helsinki UUSI SUOMI in Finnish 27 Mar 82 p 1

[Article: "Kajanoja and Aitomurto in Competition for SKP Chairmanship"]

[Text] Labor Minister Jouko Kajanoja and Construction Workers' Union Chairman Aarno Aitomurto have announced that they will be available when the Finnish Communist Party elects Chairman Aarne Saarinen's successor in May.

"It is not appropriate to refuse the chairmanship unless one has well-founded reasons," states Kajanoja in a statement given to KANSAN UUTISET.

However, Kajanoja does not admit to being an ambitious climber.

Aitomurto declined to accept the nomination before the party's last congress. Now, however, in his opinion the situation is different and Aitomurto, who enjoys the support of the party's rebellion movement, took back his previous words.

"I did not want at that time to become the symbol of a declining party," he stated in explaining his feelings.

SAK [Finnish Confederation of Trade Unions] Second Chairman Olavi Hanninen, who was SKP Vice Chairman until last year's congress, does not intend to enter the campaign for party chairman.

Communications Minister Jarmo Wahlstrom's name was mentioned most recently for the chairmanship. He still does not want to say yes or no to the question concerning his candidacy.

"The issue should be discussed with so many others, members and representatives," he thinks.

First Secretary Arvo Aalto, whom Saarinen also supports, is considered to be the strongest candidate for the new chairman of the SKP.

Over the weekend the SKP will hold a party conference, at which the intent is to find a way out of the party's internal conflicts.

Earlier the minority supported the convening of a party conference so that it would not be necessary to convene an extraordinary congress.

However, an extraordinary congress will be held. This took the bottom out of the party conference, at which members of the party's highest leadership will not even speak.

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## JOSPIN ON ELECTIONS; UNIONS; PCF; PSF-GOVERNMENT RELATIONS

Paris LE JOURNAL DU PARLEMENT in French 15 Feb-1 Mar 82 pp 1, 12

[Interview with Lionel Jospin, first secretary of the Socialist Party, by LE JOURNAL DU PARLEMENT; date and place not specified]

[Text] A graduate in political sciences and of the National School of Administration--these are the university credentials of Lionel Jospin. He did his military service in the armored corps in Germany. As a student, politics interested him. He devoted himself to the trade union movement and joined the PSU [Unified Socialist Party]. Employed by the Ministry of External Relations as secretary of foreign affairs, he was assigned to the office of international economic affairs. In October of 1970, he became a "veteran of the Quai d'Orsay." Assigned in fact to the University of Paris XI and to the IUT [University Institute of Technology] in Paris-Sceaux, Lionel Jospin plunged into university life. It was in 1971 that he joined the PS [Socialist Party], wherein he rose rapidly. In 1973 he was national training secretary, and then became national secretary for the Third World.

Since 1975, he has been in charge of relations between the Socialist Party and the PCF [French Communist Party]. One after another he was made Paris council member, national secretary for foreign relations, and finally first secretary of the party. Elected as a deputy from the 18th District in Paris (La Chapelle-Goutte d'Or) in June 1981, he was confirmed as first secretary. An active participant in the presidential campaign, he will be remembered as an excellent debater.

Lionel Jospin is tall, slim and blue-eyed, and his curly hair, grayed since he has occupied these high posts, forms a halo. This brilliant and fascinating doctrinarian with the cautious look agreed most cordially to answer our questions.

[Question] Mr First Secretary, during the session which has just ended, certain tensions could be seen among the party, the parliamentary bench and the government. How exactly would you describe the relations among these groups in political life at present?

[Answer] Concerning the whole of the legislative work done over 8 months, one might say that there has been little tension, rather, on the contrary, close collaboration. When there is tension, this means that current is flowing. The citizens of France and the parliamentary observers must become accustomed to truly democratic dialogue. Each branch plays its role--both executive and legislative. If the parliament, by which I mean the leftist majority, were always in agreement with the executive branch, there would hardly be any point to its existence. The policy pursued by the government is what the Socialist Party and its elected officials want. Indeed there are sometimes differences in interpretation, but it seems to me that each time a compromise has been found. How can relations be defined? Let us say that each group is playing its role. The government is pursuing the national policy, the majority is checking on and correcting it and translating it into parliamentary language, while the party remains a social force which must make itself understood throughout the country.

[Question] The 24th Communist Congress which has just been held, seems to have acknowledged the differences between the communists and the socialists. At the outset, Mr Marchais spoke of a democratic and self-administering socialism in the French style. "Self-administering" is a surprising term from the mouth of a communist. Is it also a part of the vocabulary of the socialists, or at least the Mitterrand faction?

[Answer] Well, one would have to ask G. Marchais about his concept of self-administration. The words democracy and self-administration are a part of the socialist vocabulary and program. If G. Marchais borrows from us to some extent, this means that we are having a good influence on him. But self-administration has never seemed to me to be the specialty of the communist party.

[Question] Mr Debarge used the term "basic differences" with the communists in connection with the foreign policy, and he and Mr Beregovoy had very harsh things to say about the regimes in the Eastern countries. Do you not fear that in the long run, the presence of communist ministers might become intolerable for the Socialist Party?

[Answer] The foreign policy pursued by the French government and the president of the republic suits the Socialist Party. There are no basic differences between the government and the Socialist Party, but rather and on the contrary a profound agreement, such that this policy will remain what it is. The problem you describe is not one which faces the socialists.

[Question] The people of France would like to know what electoral method will be used during the municipal elections in the towns with more than 30,000 inhabitants--proportional representation or a relative majority? Can you give us your personal view on this matter?

[Answer] This question will have to be asked at the proper time, in other words after the district elections. What should our goal be? A system of representation which is just and which at the same time makes it possible to govern the towns without leaving them at the mercy of a majority crisis. This is beginning to be discussed within the PS, and, I imagine, within the government.

[Question] If in the district elections you win over the communists, does this mean that you will head the polls in the municipal elections in the towns where the mayors are communists?

[Answer] Where ways and means are concerned, this will depend on the balloting system. Will the socialists and communists be on the same lists or not? With proportional representation, we would be on different lists, but if on the contrary the relative majority were retained, we would be on the same lists. In any case, whether we are talking about heading the polls or electing mayors, the choices should be carefully made by the leftists from the political faction which has achieved the best results. It is obvious that if the relative majority is retained we will often head the polls. But so long as nothing has been decided, I cannot answer the question.

[Question] The trade unions, and the CGT [General Confederation of Labor] in particular, do not seem to be facilitating the task of the socialists. The CGT is working against the employers, and in so doing, it is working against the government. What is your view on this subject?

[Answer] In a democracy the trade unions are and should remain independent of the state. The goal of the socialists cannot be to link the unions to the state wagon. Where the government is concerned, it engages in dialogue and negotiation with the union. It hopes that the employers will respond to the demands through negotiation. The government and the owners can in no way be lumped together. This would not suit us and I am not sure it would suit Mr Gattaz. Not every criticism of the employers is a criticism of the government. It would be well, moreover, not to confuse the targets.

[Question] What is your definition of the word "radicalization," which one hears a great deal currently?

[Answer] It is an ambiguous word. When there was talk of the radicalization of French politics during the Third Republic, one thought of the Radical Party rather than one extremist group or another. I am not very fond of the these words which mean nothing.

[Question] Let us go back to the Communist Party Congress, if you will. Georges Marchais criticized reporting as it is currently being done. It appears that the policy of the government is not being explained thoroughly enough. Do you think that the Socialist Party is a good agent of information? And what, moreover, is your personal opinion about the audiovisual media?

[Answer] There is no political force in the country which defends the government policy better than the Socialist Party. That having been said, its

actions could be improved, and it could surely be perfected as could the government itself. In the field of the written press, the facilities are excessively concentrated in the hands of certain groups and men. Anything we can do to encourage pluralism would be to the good. The audiovisual media are a more delicate matter. One does not have to buy a newspaper, but the television is there at home every evening, and it is difficult to refrain from turning it on. Thus it plays a massive role in the life of French citizens, not only on the political level but in the realm of information and detente as well. The government must have the right to see its policy set forth clearly and plainly. Information must remain free. The Socialist Party will never agree to operations to intimidate and exert pressure on journalists, whatever groups may be their source. It is normal to criticize journalists, but intimidation of them cannot be tolerated.

[Question] During the national convention of the Socialist Party, you attacked Jacques Chirac. Does this mean that you intend to set siege to the mayoralty of Paris?

[Answer] I attacked Mr Lecanuet but I am not a candidate for the mayoralty of Rouen. For the time being Jacques Chirac is the main opposition leader. He sometimes criticizes us very keenly, and I for my part criticize him!

[Question] Can you tell us about the steps taken by the government since 10 May which have already borne fruit?

[Answer] To begin with, the situation has already improved for the aged, for large families, and for those affected by the interoccupational minimum growth wage. Steps have been taken with a view to social justice and low-cost housing programs have been launched. A great effort has been made in the educational sector. Our foreign policy is that of a free country defending its principles. As of now, the first positive results of our economic recovery policy are beginning to make themselves felt. The OECD [Organization for Economic Cooperation and Development] experts have moreover just acknowledged the innovative nature of the economic policy pursued in France. Nationalization of various industries will make it possible to determine industrial policy in a number of key sectors. The French people know that combatting the crisis will not be easy, but I think that they believe they have a government which has this desire at the heart of its policy.

[Question] What do you think of Mr Poniatowski's diagnosis concerning the French economy?

[Answer] I find it excessively pessimistic. I am surprised that a high political official like Mr Poniatowski can openly threaten the currency of his country by predicting devaluations. I would remind him that massive unemployment, two digit inflation, economic stagnation, the loss of industrial jobs, the decline in farm income and the budget and trade deficits were inherited from Mr Giscard d'Estaing's 7-year term.

Question] When will we see the end of Mr Giscard d'Estaing's legacy?

Answer] The goal is to stabilize unemployment in 1982 and to reduce inflation by several points and to try to launch a decline in unemployment in 1983. Success will depend on us, but also on the protagonists in economic life and on our trade partners. This is why it is necessary to persuade the EEC countries, and then, if possible, the United States, that they too should embark upon a policy designed to combat economic stagnation.

Question] Is the opposition playing the game properly?

Answer] It is playing its own game, which means criticizing the government and its majority. I find this normal. I would like to see less caricature in its criticisms so that parliamentary debate can be worthy of the stakes involved. And since it claims to defend the republic better than any other group, let the opposition be the most concerned of all with respect for democracy and legality. We can still expect a condemnation of the Isigny commando group or PFN [Party of New Forces] dismissals on the part of the main leaders of the conservative parties. Since they claim to be republicans, let them conduct themselves as such. It does not seem to me that the opposition should content itself with negative statements, but that it should make the effort on the one hand to explain its defeat (instead of blaming the French people for it) while on the other hand, proposing a policy which is an alternative to ours. If the opposition has ideas, let it set themselves forth. And let it be willing to acknowledge that we are implementing ours. That is what the French people elected us to do.

5157  
CSO: 3199/403

## 'MORGUNBLADID' DENOUNCES SOVIET ATTEMPT TO EXPAND PRESENCE

Reykjavik MORGUNBLADID in Icelandic 28 Feb 82 p 24

[Editorial: "Soviet Meddling in Iceland"]

[Text] Icelanders, like other democratic peoples, have to accept the fact that in their midst there are individuals who believe that the Soviet political system is the most perfect one created by the hand of man, and that the gerontocracy in the Kremlin is the most peaceful societal force on earth. If we must find a reason for Icelanders who believe this, they at least keep the statistics for unusual viewpoints alive. They, like everyone else, have full freedom to express their opinions and to be counted responsible for them, if they feel they have grounds for such beliefs. On the other hand, Icelanders do not have to put up with the Russian public relations department setting up branch offices in this country. It is a basic rule in international relations that reciprocal benefits should be the guiding principle in dealings between nations. It is far from the guiding principle in the relations between Iceland and the Soviet Union. The Icelandic Government, for example, owns no property in Moscow, but the Soviet Government owns five different pieces of real estate here in Reykjavik. Three Icelanders work in the Icelandic Embassy in Moscow, whereas the Soviet Embassy in Iceland has a larger staff than our own Foreign Ministry on Hverfisgata.

Now the influence of the Soviet Embassy in Iceland has reached the point that its public relations men supervise articles appearing in newspapers here, and later have replies prepared in Moscow. MORGUNBLADID will not serve as a pulpit for these public relations men, and has told them so unequivocally. But it probably is not an amazing occurrence, when the Soviet Embassy is permitted to employ people here and to own a number of buildings, and if we observe carefully the large and small events which take place here in our country.

When the Nazis aimed their propaganda at Iceland, the Icelandic leaders at the time when they examined the precedents for neutral countries in international relations, found it difficult to turn them away. Could the Icelandic authorities in 1982 consider themselves in the same position relative to the Soviets that they were relative to the Nazis in the forties? Why is nothing done on the behalf of the Icelandic Government to hinder the growth of Soviet influence in Iceland?

What we print in MORGUNBLADID seems to provide much food for thought among the Soviet Embassy staff. More than once the editors of the paper have heard rumors, to put it mildly, which indicate that the Soviets are in the habit of complaining about MORGUNBLADID's articles on trade, in which Icelanders write that they should have paid a higher price or should have bought more. Actually, complaints such as this indicate that the Soviets here know next to nothing about the way such things are discussed in Icelandic society, despite all the people they have working here, because only they could expect that MORGUNBLADID would change its articles as a result of such complaints.

The international relations agenda which was agreed upon unanimously at the last national meeting of the Independence Party included the following statement: "We should keep it clearly in mind that it can be dangerous to be dependent on one source for such an important resource as oil. It is particularly hazardous when that one source follows policies which aim at using trade, cultural exchange, scientific cooperation and military might in a coordinated fashion with the goal of increasing its influence and power throughout the world. In doing business with the Soviet Union we must consider this fact, and remember that the only significant dealings the Soviets have with Iceland are in the area of trade. The Soviet authorities will not let these opportunities pass by unused, but rather will adapt themselves to whatever demands are made of them, and will certainly get cracking if the Icelanders ever act as though they have any other choice besides doing business with them."

There are particular reasons why we should pay special attention to the last sentence in that statement from the national meeting of the Independence Party. It describes the kind of behavior which certainly should be observed in discussing trade with the Soviets. It is diametrically opposed to all policies of Western nations, whether in Europe or North America, to allow the Soviets at this moment to expand their territory in Reykjavik by buying a single family dwelling in Solvallagata and changing it into quarters for four or five families, as has been announced. At the same time as a Reykjavik housewife is arguing with the city council concerning changes on her property in Bjarkargata, it appears that the Soviets can do anything they feel like in Solvallagata.

But it perhaps will come as a surprise to no one that the influential power of the Soviets is greater among the leaders and citizens of the nation than that of the Icelandic citizens themselves. And it is probably not a coincidence, either, that the ones who are complaining the most about MORGUNBLADID these days are the editors of THJODVILJINN and the publishers of NEWS FROM THE SOVIET UNION. Both of them are aiming for the same goals--to overturn the "capitalist" system of Iceland, to make our nation defenseless and to pull us out of the North Atlantic Treaty Organization. Certainly no one could complain about being criticized by the likes of them; they have not yet understood our sympathy for them; who should be afraid of capitulation and giving in.

9584  
CSO: 3111/29

## PEOPLE'S ALLIANCE CRITICIZED FOR 'BERUFSVERBOT'

Reykjavik MORGUNBLADID in Icelandic 2 Mar 82 p 20

[Editorial: "'Berufsverbot' of People's Alliance"]

[Text] For many years the leaders of the People's Alliance have criticized the West German Government in speeches and articles for the policy which is called "Berufsverbot" in German. In Icelandic we use a word meaning "employment restriction" for this concept. It has been the intention in West Germany to oppose the hiring of communists for civil service jobs, which would give them the opportunity to teach communist principles or work for the progress of communism in other ways. It is natural, of course, for People's Alliance members here in Iceland to support the struggles of West German communists, and they have continued to say that they are opposed to employment restrictions in general, that people ought to have full rights to civil service employment or participation in discussions of civic matters without regard to their philosophies or their positions in society.

Last week Ragnar Halldorsson, president of ISAL, was elected chairman of the National Chamber of Commerce. Halldorsson has been vice chairman of that same organization for 4 years now, under Hjalti Geir Kristjansson, who decided not to run for reelection. The day after the general meeting of the Chamber of Commerce, the central committee of the People's Alliance had a meeting at which they contested the election of Ragnar Halldorsson in such a way that the People's Alliance and its publications can no longer say that they oppose employment restrictions. It has never before happened in this country that a political party insisted in this way that certain Icelanders were incapable of security-oriented employment because of their opinions or activities. We must conclude from the People's Alliance central committee's decision that the party considers the hundreds of Icelanders who work in the eel industry second-class citizens, not entitled to the same privileges as the rest of us. We need to fight continually against human rights violations of this kind.

0548

CSO: 3111/29

## PROBLEMS OF PEOPLE'S ALLIANCE REPORTED

## Membership Loss

Reykjavik MORGUNBLADID in Icelandic 28 Feb 82 p 48

[Text] More than a fourth of the members of the People's Alliance Society in Reykjavik have quit the society in the course of the last 2 years. Their resignations are especially related to the fact, according to MORGUNBLADID's sources, that they are extremely dissatisfied with the progress of the People's Alliance's political policies in the government and that they think the party is getting too "middle-of-the-road." We should also mention in this connection that it was recently announced in THJODVILJINN, the People's Alliance newspaper, that the number of subscribers to that paper has fallen off sharply in the last few years--to the tune of 1,500 or so, MORGUNBLADID has heard.

Recent accounts in THJODVILJINN say that there are now some 800 members enrolled in the society, that is, those who are entitled to cast votes in the party's primary election in Reykjavik. According to this figure, there must have been just barely 1,100 members in the society when things were at their best for them, some 2 years ago. This means that the loss of members amounts to some 300 people.

MORGUNBLADID's source said that there was great dissatisfaction inside the inner party circle in Reykjavik. Members of the society generally consider themselves socialists, but feel that the party is not following the policies which it has said it would fight for. This same source also said that the women's delegation in Reykjavik was causing great unease among the leadership of the People's Alliance because some very outspoken People's Alliance women who could not make a break with the Communist Alliance or the Marxist-Leninists saw this as their opportunity to get into politics and to increase their sphere of influence. Our source said that the women's delegation was ahead of the other groups as a delegation furthest to the left relative to the People's Alliance. He said that he was very afraid that when this group had begun to make itself known in the councils of the People's Alliance in Reykjavik, that a loss of following similar to that which the party has already been experiencing would result. Despite all these obvious warning signs, he said

that the party leadership was holding so tightly to its positions of power that it was amazing that it did not seem to see the party's danger signs clearly.

#### IP Official Comments

Reykjavik MORGUNBLAÐIÐ in Icelandic 3 Mar 82 p 10

[Excerpt] "The new leadership under Grímsson and Óðinsdóttir has chosen to stay in power no matter what happens, and to defend their seizing the office by demonstrating the necessity, or their establishing a place for themselves in the system, so that they can later achieve their goals," says Fridrik Spóðusson, MP, concerning the People's Alliance Party [PA].

#### People's Alliance in Trouble

As has been reported in the media, pitifully few voters have turned out for the People's Alliance primary elections, so that the party is having to promote these activities as it prepares for the rural district elections. The People's Alliance has made a mistake in uniting all leftists under one slate, under the leadership of the party, when they should have concentrated on shaking the hold of the Independence Party [IP] in places like Seltjarnarnes, Mosfellsbreytt and Gárdabær. Registered People's Alliance members have recently dwindled, and former representatives give the leaders the cold shoulder and are answered in turn with biting words. The People's Alliance has seen such significantly bad results in opinion polls that the party leaders feel obliged to explain the results as "serious indications." A call for help rang out from *LANDVILJINN*, the newspaper of socialism, the workers' movement and people's liberation movement; committees have been called to formulate plans to stop the paper's growing deficit, the result of fewer and fewer people buying it.

These situations, and others that could be mentioned, show that it would not be a mistake to assume that the People's Alliance is having more trouble than it used to have. There are various explanations for this negative trend, some of which will be mentioned below.

#### Supremacy of the Academic Clique

There is much dissatisfaction in the ranks of the People's Alliance because of the academics who control everything in all of the party's departments. At this moment, not one of the party's MP's is from the working-class branch of the party. The working-class leaders of the People's Alliance are tired of being treated as if they were a festive bunch. They are only needed in the electoral choir, when songs are sung about their demands, and later they are supposed to stand according to the will of the party leadership, while the real delegates make the decisions. Because of the wrong-headed policies of the leadership in economic and labor matters, there is nothing left to hand out, and because of this, the salaried workers have nothing to show for their participation in the elections.

### Change in Position on the defense issue

When the People's Alliance participated in the Olafur Johannesson government in 1971, it demanded that the Defense Force should be deterred. In the meetings of the leftist government of 1978-79, emphasis was laid on the particular policy of the People's Alliance. In the political discussions of the current government, this matter is brought up less frequently. The participation of the leadership of the People's Alliance MP's in the Security Committee and its support in the establishment of a special representative for security and defense matters has caused dissatisfaction and anger in the ranks of the most relentless "antioccupation" members of the party. More and more of that group have given up the People's Alliance and gone over to working with special interest groups even farther to the left.

### Women in the Women's Delegation

Now, that THJODVILJINN was full of equal-rights-for-women articles, which failed to be carried out in People's Alliance policy. But the actions of the women's delegation minister and their petty politics have caused great dissatisfaction. The dissatisfaction of the women in the party's national assembly, at the electoral slate in Reykjavik has caused some to fear the establishment of a possible women's delegation in Reykjavik; this delegation would include many women who formerly felt at home in the party and who used to write for THJODVILJINN.

### The People's Alliance is the Best Friend of Inflation

Conflicts within the government with regard to economic matters have shown that the People's Alliance has achieved the dubious honor of being considered the best friend of inflation. The Progressive Party MP's are forever emphasizing that the "countdown" will never get anywhere because of the opposition of the People's Alliance. In the coming elections all of this will become clearer, but the Progressive Party does think that it has wounds to heal from the 1976 elections.

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## PROSPECTS OF SMALL LEFTIST PARTIES VIEWED

Rotterdam NRC HANDELSBLAD in Dutch 16 Mar 82 p 7

[Article by Michel Van Hulten: "Unity of the Small Left Is of No Practical Importance"]

[Text] Dr M.H.M. Van Hulten was a member of the First Chamber (1971-72) for the PPR [Political Party of Radicals], and member of the Second Chamber (1972-73). In the Den Uyl cabinet, he was secretary of state for transportation and waterways. In 1971, he became a member of the PvdA [Labor Party] as well. When the PvdA of his place of residence (Lelystad) broke off its co-operation with the PPR, he resigned his membership in the PvdA. In 1981, Dr Van Hulten also resigned his membership in the PPR, because it did not want to follow his ideas about co-operating with the PvdA. At the moment, Dr Van Hulten is without a party.

Dutch politics revolves around three parties. PvdA, CDA [Christian Democratic Appeal] and VVD [People's Party for Freedom and Democracy]. Of all the newcomers, only one has broken through to recognition as the fourth in this society: D'66 [Democrats of 1966], which is now also a partner in the coalition. Even so, it is far from certain yet whether this party is more than a volatile protest-voters' party, or even a soap bubble blown up by the media which will disappear again as quickly as did the Farmers' Party and the DS'70 [Democratic Socialists of 1970].

Party boss De Gaay Fortman once dreamed of his party (PPR) as the fourth party of the country, but it misplayed its chances. It lost its attraction for the denominational voters since, in the 1970's, it began to profile itself more and more as a sectarian socialist party. The most recent development within the PPR, in the direction of an "eco-socialist party" (forgive me, that label comes from the party itself), is the provisional final act, and offers little promise that the party would yet want to begin recruiting effectively among (former) denominational voters.

It lost its attractiveness in yet another way when, at about the same time, it exchanged its practical approach to the problems of our time, not based on such ideological backgrounds as are offered by liberalism, socialism and

denominationalism, for the job of "passing the PvdA on the left" as far as possible. It thereby renounced its place as an "issue-oriented" party in favor of the D'66.

#### Fearful People

On the extreme right and the extreme left in the Dutch parliament there are a number of interesting groups of people who are generally all too easily swept up into one, or, to put it better, two heaps. The three on the right, SGP [Political Reformed Party], GPV [Reformed Political Union] and RPF [Reformed Political Federation], which are good for six seats at the moment, differ from one another in ways comprehensible only to initiates in the reformed world. The most characteristic difference between them as a whole and all other parties is their absolute reliance on their religiously based rejection of change.

In a world (and here I mean the whole world) where big changes happen very penetratingly and very quickly, they offer a handhold to frightened people who choose security and who dare not even accept the Christian "all things become new." In terms of practical politics, they only become important if a return to center-right coalition (CDA-VVD) should only be possible via the so-called "Staphorster variant": passive or active co-operation for such a rightist political alliance.

#### Leftist Counterpole

They find their absolute opposite pole in parties which expect all good things to come from revolutionary change, which also recognize the evils of the world and which also see the dawning of a future paradise, if the means of production come into the hands of the workers, if weapons disappear from the world and if all men become brothers.

None of those three changes is very probable. The CPN [Communist Party of the Netherlands] will never be able to break into the power structure on a nationwide scale in the Netherlands, if communism does not succeed on a worldwide scale and as long as the popular power it strives for economically is not intended politically and socially as well. Nor does it do this party any good that very many in the Netherlands are rightly more inclined to look at what happens in Eastern Europe than at the CPN's theoretical statements dealing with the Dutch situation.

In its actions, the PSP [Pacifist Socialist Party] seems to be getting further and further away from nonviolence and thereby to be renouncing its own name.

The softest and nicest of the three small leftist parties in substance, the PPR, is well on its way to exchanging its almost unlimited belief in human brotherhood for anarchistically tinted antiauthoritarian choices which at least some in that party are lumping under the term "socialist."

## Not Necessary

With nine seats in Parliament [the Second Chamber], the three small leftist parties are unimportant to practical politics. They will not co-operate with the Center-Right, and with the VVD in particular, and the Center-Left (CDA-PvdA-D'66) does not need them. Therefore the small-leftist parties seem to be condemned to a continuing opposition role.

Their only chance lies in a leftist majority cabinet, which has never been objectionable to the PPR; which the CPN appears to be eager to enter with its most recent course alteration, and to which the PSP could scarcely object in Parliament if the only alternative were a rightwing cabinet, even though it is impossible to conceive of a leftist majority cabinet which would be pacifist enough to be regarded by the PSP as its "own" cabinet.

## Extreme Left

Furthermore, remarkable developments are taking place here. While the CPN is doing its very best to get into a possible leftist coalition, the PPR is constantly maneuvering more and more to the extreme left, not only further from the CDA but also from the PvdA, whose declining voting following, indeed, ought to produce growth in voters for the PPR as well as for the PSP. That, however, does not prove to be the case.

That is all the more remarkable because the big loss of the PPR in 1977 (from 7 seats to 3) was then explained by the big gain of the PvdA (plus 10). The PvdA's loss in 1981 (minus 9), however, did not produce a single seat more for the PPR, and--while the PvdA is still sinking further in the public opinion polls--there is still no growth for the PPR.

The discrepancy between the PPR's strategic political theory and its practice, which indicates an irrational approach to the political situation in the Netherlands, is also remarkable.

While the PPR says it is striving for a progressive majority (the present ratio in the Second Chamber is 70 progressive to 80 conservative), in its political actions it inclines more and more toward co-operation with the CPN and the PSP, which not only is objectionable to the D'66, but which also makes it more difficult to win more voters from the political center to the left. And it is in that political center that the voters must be found to tip the parliamentary balance to the left. The same applies to the "bridge function" which it is the ambition of the PPR to perform between the PvdA/D'66 on the one side and the CPN/PSP on the other. In order to be able to form such a bridge, an equal relationship with both pillars is a prerequisite. It is true here, too, that the increasing co-operation with the CPN and PSP is going to frustrate the party's good intentions.

In the coming Provincial State elections, the PPR candidates are on a joint list with CPN and PSP in South Holland, in Friesland and Drenthe with the PSP and in Utrecht with the PvdA (which has been a tradition since 1970). The municipal council elections for June show this mingling of CPN, PSP and PPR candidates into one list to an even greater degree.

Are the three small leftist parties becoming a trinity? If so, in my opinion, the growth toward a progressive majority in the Netherlands is not served by that.

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CSO: 3105/136

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POLITICAL

NETHERLANDS

PROVINCIAL ELECTIONS SHOW RIGHTWARD SHIFT

Liberal Party Big Winner

Rotterdam NRC HANDELSBLAD in Dutch 25 Mar 82 p 1

report: "VVD (People's Party for Freedom and Democracy) passes PvdA (Labor Party) as Second Party; Record Low Turnout."]

[Text] The Hague, 25 Mar--The VVD became the big victor in the elections held yesterday for the Provincial States. The party increased its following by over 25 percent and, for the first time since World War II, passed the Labor Party. The latter lost considerably and saw its following decrease by 25 percent. D'66 [Democrats '66] gained in comparison with the states elections of 1978, but lost part of its following in comparison with last year's Chamber elections. The CDA [Christian Democratic Appeal] recorded a slight loss with respect to 4 years ago, but won a few percent in comparison with the Chamber elections.

The turnout at the states elections reached an absolute record low yesterday with 67.9 percent. One in three voters, over 3 million of eligible voters, stayed at home. Especially in the south of the country barely half of the voters turned up in many cases. The Labor Party and D'66 were the biggest victims of the luke-warm turnout.

Next to the large gain of the VVD, the gain of the smaller leftist and rightist parties was noteworthy. Of the "small leftist" ones, primarily the PSP [Pacifist Socialist Party] and CPN [Communist Party of the Netherlands] gained; on the right particularly the Reformatory Political Federation (RPF) gained.

THE OUTCOME

The outcome of the states elections will have to mean, according to Prime Minister Van Agt, that the influence of the CDA on cabinet policy will be greater. PvdA and D'66 will have to "take their hat off to the results," he said. CDA Minister Van der Stoel (finance) called the outcome "an encouragement for the CDA to continue the policy of the past months."

Van Agt indicated that the decisions on economizations had to be taken by the beginning of April. "In 2 weeks time there will be a good spring note, or it will never come about. If it doesn't work, the cabinet must stop working [on it]" said the prime minister.

PvdA Leader Den Uyl recognized the outcome as a "big defeat" for his party, but he emphasized that it will not influence the attitude of the PvdA in the cabinet. "We won't deviate from our course; we'll continue on the road chosen."

VVD Leader Wiegel was of the opinion that the outcome shows that there ought to be a cabinet of a different composition, with the VVD in it. "The voters have made it known that they want a decisive cabinet." According to Wiegel, a national cabinet should now be formed.

D'66 Leader Terlouw saw the loss of his party as compared with last year's Chamber elections as caused primarily by the not showing up of D'66 voters. He judged the loss to be not dramatic, but only temporary.

In translating the outcome of the states elections into the ratios in the Second Chamber, the VVD would gain eight seats and the CDA four. The Labor Party would decrease by 10 seats and D'66 by five.

#### Shifts in Party Votes

Rotterdam NRC HANDELSBLAD in Dutch 25 Mar 82 p 1

[Report: "VVD Gets Great Part of its Gain from CDA"]

[Text] The Hague, 25 Mar--The gain of the VVD in the provincial states elections was primarily taken by it from the CDA. According to a poll by the Intomart bureau, the CDA lost about 90,000 voters to the VVD. According to the same poll the Labor Party lost, to lost voters, about 100,000, to the small leftist parties.

Of the 200,000 new voters who went to the voting booth for the first time yesterday, 40 percent voted for VVD and CDA. A quarter of the "young voters" voted for the Labor Party, D'66,

The shift in source of new voters signifies a deviation from earlier elections. In the last few years especially progressive parties drew many young voters. The Labor Party drew only 16 percent of the new voters and D'66, 12 percent. The turnout of young voters was 64 percent lower than the national turnout percentage.

The new voter turnout primarily worked very disadvantageously for D'66 and the Labor Party. A quarter of the voters who still voted PvdA in last year's Chamber elections yesterday did not come to the voting booth. Of last year's D'66 voters, only 30 percent stayed at home this year. About 90 percent of last year's PvdA and VVD following came to the voting booth again.

The change of votes among the various parties indicates that the VVD took votes away from the CDA, but that it also drew voters who previously had voted PvdA and D'66.

The Labor Party lost considerably to "small leftist parties," to a lesser degree to CDA and VVD, but on the other hand it took some voters away from D'66. D'66, in turn, lost primarily to the VVD and to a lesser degree to smaller leftist parties, except for the PvdA.

8700

CDO: 3105/146

## PSUC PREPARES FOR SIXTH CONGRESS, CARRILLO SPEAKS

Madrid MUNDO OBRERO in Spanish 12-18 Mar 82 pp 12, 15

[Article: "Preparations for the Sixth Congress"]

[Text] Last weekend, the PSUC's [Unified Socialist Party of Catalonia] Central Committee [CC] held the next to last meeting before the Special Congress. It was for the purpose of approving the political report which the Central Committee must submit to the congress, and discussing certain matters associated with the party's political activity during the last period.

Insomar as the political report was concerned, the Central Committee approved, by a large majority, the draft submitted by the Executive Committee, after a debate centered basically on the party's problems and an analysis of the process prompting the PSUC's crisis at the Fifth Congress. It is noteworthy that extensive agreement was voiced concerning the report's political lines on the assessment of the international political situation (prominent in which is the denunciation of the imperialist aggression in Central America, the threats to peace, especially in Europe, and the coup d'etat in Poland), and on the political and electoral prospects in view this year, as well as the proposals for political and mass action on the part of Communists in the defense of democracy, against the crisis and unemployment, and on behalf of full autonomy for Catalonia.

At the meeting, the CC also discussed the major political significance of the recent meeting of all members held a non-organizational meeting in Sant Pol de Mar. Chairman of the Executive Committee, the PSUC secretary general, Francesc Gutierrez, reiterated the view of the PSUC leadership, to the effect that the aforementioned meeting had been an irregular meeting in the party's history, an event of great political importance, which had caused concern and apprehension on the eve of a congress and which, therefore, was to be criticized in the spirit of eliminating any type of non-organizational endeavor, regardless of the intentions which may have prompted the convocation and the specific content of the meeting.

The secretary general's remarks were seconded by Antoni Gutierrez Diaz, from the standpoint of agreeing on the significance of the Sant Pol de Mar convocation and on the fact that it may have caused confusion and tension within the party on the eve of the Sixth Congress.

The CC also elected the members who will represent it on various levels at the Congress. Antoni Cuadras, Francesc Padulles and Atanasio Cespedes were elected to the credentials committee; Gregori Lopez Raimundo, Jordi Sole Tura and Miquel Nunez, to the candidacy commission; and Gregori Lopez Raimundo, Antoni Gutierrez Diaz, Eulalia Vintro, Josep Cervera and Napoleon Figuerola ("Victor"), to the chair of the congress.

Finally, the CC had to approve the replacement of three councilmen who had clearly assumed a position outside of the party's discipline and publicly taken sides with the splinter group. They are Josep Maria Pelicer and Vicent Ponz, from Sant Adrian del Besos, and Rafael Parra, from Santa Coloma de Gramenet.

#### Address by Santiago Carrillo

Santiago Carrillo, secretary general of the PCE [Spanish Communist Party], attended this meeting of the PSUC's CC, and on this occasion delivered the following remarks:

"First of all, I wish to begin by hailing the PSUC's CC on behalf of the leadership of the Spanish Communist Party, and, in particular, hailing what I consider a decisive step toward the recovery of the Eurocommunist policy, the Eurocommunist strategy, in the PSUC.

"I believe that we must bear in mind the fact that we are in an election year and, on the other hand, that we are in a critical year which will decide the consolidation or non-consolidation of the process that began in 1976-77. We are in an election year because, regardless of the fact that the general elections will be in the fall or spring, it is obvious that all the parties, all the political forces, have already embarked upon an election campaign, and that, regardless of how many internal problems we may have, we cannot avoid setting forth our entire political orientation, taking this fact of the election year into account. And, on the other hand, it is a year which may prove decisive for democracy, because it has begun with the 23-F process, the effects of which could last longer than the month and a half or two months anticipated for the trial to take place. And, in this regard, I would call attention to something that is important and that we may not have stressed sufficiently: namely, the fact that, although no revolutionary change has taken place in Spain, and although no fundamental rupture has occurred, the coup perpetrators, the main group of military leaders of the coup of 23-F, are seated on the bench of the accused."

#### Need for Cooperation Between Socialists and Communists

Subsequently, the PCE secretary general declared: "It seems to me that, during this period, we must place stress on the issue of unity and cooperation among the left, particularly between Socialists and Communists. Such cooperation, such collaboration, is not easy, because we are faced with a policy of the [PSOE's] [Spanish Socialist Workers Party] leading group, aimed at reaching the

overnment at all costs, at heading the government at all costs, on the basis of depicting itself as a force capable of carrying out an excluding policy which would hamper the policy of unity and cooperation. We have observed all this in the LOAPA [Organic Law on Harmonization of the Autonomous Process], wherein the PCE and PSUC have assumed a position of complete agreement (I do not think that it could be otherwise), and we are observing it in the LAU. We have observed it at each of the critical times in the country's parliamentary existence: and we have observed it in this rather ridiculous situation wherein it would appear that the ones governing are Leopoldo and Felipe, and it would appear that the PSOE is in the government without actually being the latter, and that if the government is still continuing, it is essentially and mainly because of the backing from the PSOE, which is thereby seeking to gain respectability for itself among the moderate sectors."

#### *Recovering the Eurocommunist Policy*

On the topic of the crisis that the PSUC has experienced, the PCE secretary general remarked, among other things, that, "It is obvious that the recovery of the Eurocommunist policy is the fundamental step, the fundamental progress that you have made.

"I also think that there could be no Eurocommunist policy and no Communist Party in general unless there are groundrules, unless there is an organic quality; that is obvious. I believe that the organic quality, and the groundrules upheld by everyone, have their starting point in the forthcoming PSUC Congress. You should not be alarmed that there have been upsets in that organic quality during this period; and you should not be alarmed for a very simple reason: because there are different affinities and different movements in the PSUC, and the Fifth Congress was an earthquake which broke the organic quality, not into two parts, but rather into several parts, and the restoration of the PSUC's policy and the restoration of the organic quality in the groundrules in the PSUC have arrived by different routes which, in the end, have become convergent routes.

"I believe that the recovery of the policy and the organic quality which must dominate in the next congress has resulted, on the one hand, from the action of the PSUC Executive Committee and Central Committee, headed by Paco Frutos. I believe that the effort of the Executive Committee and the Central Committee headed by Paco Frutos has been a decisive factor....

"... I also wish to say with all sincerity, comrades, because matters are like this simple, that there is another person in the PSUC outside of the Central Committee who has also played a decisive role in recovering the organic quality: and that person is Antoni Gutierrez Diaz.

"In connection with the controversy involving the comrades who have gone to the United States, it is essential that there be a recovery (I shall use a term which may seem too abstract), the recovery of the purity of Communist ideals."

Santiago Carrillo concluded by stating: "I believe that it is through this course of action that we can create bonds with the younger generations; inasmuch as we would not reach the younger generations by giving the impression that we have abandoned the signs of identity which are essential to the existence of a Communist Party."

2909

CSO: 3110/106

## POLITICAL ROLE OF PSUC PRAISED, CARRILLO CRITICIZED

Madrid EL PAIS in Spanish 24 Mar 82 p 10

[Editorial: "The Sixth Congress of the PSUC"]

[Text] For a long time, the Unified Socialist Party of Catalonia [PSUC], in other words, the party of the Catalonian Communists, was the model from which the Spanish Communist renewal and modernizing movements as a whole took their inspiration. The influence wielded on the PSUC by the political practice of the PCI [Italian Communist Party] and the ideas of Antonio Gramsci and Palmiro Togliatti helped its strong entrenchment among the manual workers to progress concurrently with its penetration into other social and professional classes, and with the acceptance of its existence by other political forces. While the rest of the Spanish Communists were still struggling to emerge from the "ghetto" of social and political rejection to which they had been led by the cold war atmosphere, the memories of the war of 1936 and the emotional anti-communism cultivated by the previous regime's propaganda, the PSUC was managing to progress in breaking that isolation and was becoming incorporated in a far less traumatic way into the first overall accords of the anti-Franco opposition.

In addition, the Catalonian Communists, at the end of the murky episode when Joan Comorera (accused of "nationalist", Trotskyite and petit-bourgeois deviationism) played the undeserved role of a scapegoat, succeeded in the task of associating in one and the same program the national issue, the proposals of a labor party, the demands for democratization of the entire society and solidarity with the rest of the Spanish people. The PSUC's policy, equidistant from impassioned Catalanism and irresponsible centralism, made a decisive contribution toward preventing the rise in Catalonia of those radicalized nationalist groups which lie at the bottom of the violence and terrorism in the Basque Country, where, on the other hand, Socialists and Communists have failed resoundingly when it was time to meet the serious responsibilities incumbent on them.

The social entrenchment of the Catalonian Communists during the final phase of Francoism and the beginning of the transition was not manifested merely in the backing that they received from intellectuals, professors or artists (or militants, sympathizers, or voters for their initials), but was also

reflected in a spectacular manner in the elections of June 1977. In those elections, the PSUC won 18.20 percent of the votes cast in Catalonia and gained eight deputies, as compared with 6 percent of the votes and 12 congressmen gained by the Communists elsewhere in Spain. In addition, the large presence of PSUC representatives in the Lower Chamber (40 percent of the Communist parliamentary group) received reinforcement from the victory of the unified candidacies of Catalonia for the Senate. Although the PSUC's considerable comparative advantage over the PCE was to be reduced in the 1979 elections, the difference was still notable. In any event, to the Spanish Communists, Catalonia remained the only social area in which the hopes of the revolution of the majority and the conquest of hegemony offered prospects which were not mere illusions.

Nevertheless, the serious crisis that has been besetting the PSUC for over a year threatens to deprive it of its nature as an "Italian style" forerunner of the Spanish Communists, both with regard to its social and electoral enrichment and the full incorporation of democratic principles into the internal functioning of its organization. The return of Gregorio Lopez-Raimundo and Antonio Gutierrez Diaz to key posts in the PSUC leadership after this Sixth Congress has received the strong backing of Santiago Carrillo. However, the internal conflicts among Catalonian Communists began precisely with the criticism made throughout 1980 by the PCE secretary general of both leaders. The PSUC's Fifth Congress, held in early 1981, served as the stage for a dramatic display of that brewing crisis, but with the final result (surely unexpected by those who helped to trigger it, unwittingly) that the pro-Soviet positions were upheld by a considerable number of delegates, who received the nickname "Afghans". The "desecration" of the title or the taboo of Eurocommunism, and the changed correlation of forces within the organization, forced Gregorio Lopez-Raimundo and Antonio Gutierrez Diaz to resign, irrevocably, from their administrative posts, despite the fact that the Fifth Congress had reelected them without problems and raised to the positions of highest responsibility, with the backing of the pro-Soviets represented by Pedro Ardiaca, the representatives of a third movement, usually but inappropriately christened "Leninist". Nevertheless, throughout 1981 that "unholy alliance" ended by becoming resoundingly broken; and the pro-Soviets, after leaving the PSUC, are now ready to hold the founding congress for their new party. Abandoned by the "Afghans" to whom the agreements of the Fifth Congress were merely a tactical sophistry, the members of the movement headed by Francisco Frutos had no recourse other than to convoke a new congress which would establish a new alliance with the Eurocommunist movement, reinstate the former dismissed leaders in their positions and definitively make peace with Santiago Carrillo.

In this respect, the Sixth Congress has not offered any great surprises. Gregorio Lopez-Raimundo, an historical leader respected by nearly everyone, holds the presidency again; and Antonio Gutierrez Diaz, a professional politician with considerable ability, great perseverance and a promising future, has remained the office of secretary general. Although the maneuver by those defeated at the Fifth Congress to make the so-called "Leninists" pay dearly for their madness and to reduce them to minimal representation on the Central Committee did not turn out victorious in the end, the "grudgingness" of those who are now the winners has presented Francisco Frutos, a labor leader of

acknowledging integrity although probably not well equipped for professional activities, with a humiliating vote of chastisement in the final balloting.

The PSUC, however, sometimes takes useless turns merely to return to the starting point. The PSUC crisis, which began with the split given to Antonio Gutierrez Diaz by Santiago Carrillo throughout 1980, has ended with reinstatement in his position as secretary general, from which he voluntarily resigned in January 1981. After the setbacks suffered by the Communists during the past 18 months, including the Catalonian split of the pro-Soviet movement and the expulsion of the renewers in Madrid and the Basque Country, the "lesser evil", embodied by Antonio Gutierrez Diaz, has assumed the features of the supreme good. But perhaps the PSUC has suffered irreparable damage for the future throughout this prolonged and deepseated crisis. The pro-Soviets appear to have carried along with them part of the PSUC's labor militancy. The mutual distrust and suspicion between the winners of the Fifth Congress and the winners of the Sixth Congress have surely made wounds which will be difficult to heal among the members of the organization. As a result, the electorate may perhaps reflect negatively at the polls in the next elections to the Parliament and disenchanted at these divisions and conflicts. With such prospects, the PSUC, with the dynamics which allowed the different movements and tendencies to tolerate each other mutually and to coexist under the same initials eroded, may cease to be the "Italian style" model of the Spanish Communists, and, with its political uniqueness lost and the atmosphere of pluralism in its ideological debates destroyed, become converted into another PCP federation, severely punished in turn by the abandonments and splits of pro-Soviets and renewers.

## PCE'S SARTORIUS CRITIQUES GOVERNMENT'S INDUSTRIAL POLICY

Madrid EL PAIS in Spanish 18 Mar 82 p 52

[Article by Nicolas Sartorius, PCE vice secretary general: "Urgent Status of Industrial Reconversion"]

[Text] According to the author, the steps taken to date by UCD [Democratic Center Union] to carry out industrial reconversion in Spain have entailed a continued weakening of the sector's structure: 382,000 jobs abolished between 1976 and 1979, and another 250,000 between 1980 and 1981. In view of this situation, the Communist leader calls for an in-depth debate on industrial policy that would promote the awaited discussion in Parliament of a Law on Industrial Reconversion issued by the government last June.

The Law on Industrial Reconversion issued by the government on 5 June of last year in the form of a decree-law is awaiting discussion in the plenary session of Parliament.

This debate, if it takes place, will be held at the behest of the parties of the left, particularly the PCE [Spanish Communist Party] which, at the time, cited how undesirable it would be to rob Parliament of the discussion of a decree intended to establish criteria for the restructuring of businesses and sectors which has actually been devised in the worst possible way, and which does not contain the bases for what would constitute an authentic industrial policy.

On that occasion, the UCD [Democratic Center Union] government very pretentiously introduced the decree as the instrument around which its industrial policy would revolve. For this purpose, it had the consent of the other parties of the right or the center, both state and nationalist, which are continuing to act as its unconditional allies in the current debate.

Nothing could be further from reality than those pretensions on the part of the government.

#### What History Shows

Back in 1979, Mr Abril Martorell initiated the policy of economic and financial support for certain large industrial firms, which was depicted in a

grandiloquent manner as the solution to their survival. At the time, this policy was challenged by the trade unions in overall terms, because it was nothing but a turnover of discretionary aid to certain business firms without any type of guarantee.

Time has proven the correctness of those who were right, and there is Intelboree, HYTASA, Nervacero, Llodio Steel, Echevarria, La Farga Casanova, Segarra, etc., to prove it.

On 1 June 1981, there was a change of weapon, but the firing angle was not changed. The government published a decree on industrial reconversion which, among other things:

- a. Makes restructuring by government decree possible in the sectors which it terms "basic" without specifying which they are, affording an opportunity for unilateral restructuring without regard for the workers.
- b. Offers privileged backing to the so-called reconversion companies, giving precedence to the large firms to the detriment of the small ones, and with a tendency to create monopolies supported with public funds and without parliamentary control.
- c. Makes the cancellation and annulment of contracts possible in a discretionary manner, without creating alternative employment.
- d. Does not specify the committees' participation in the application of the agreements to the business firms.

Actually, the practical application of the decree in the instances wherein it has taken place (FEMSA-R. Bosch, Special Steels, Ship Construction, Ibercobre and Textile) has limited the most negative effects, as a result of the presence and pressure of the trade unions in each of the negotiations. Nevertheless, the action taken to date has been merely a constant series of blows stopped by the unions; something which is logical from their standpoint, because in such instances the only thing they can do under the present circumstances is to protect the workers' interests and prevent layoffs, a goal that has been attained partially, in some cases by way of early retirements and voluntary compensated dismissals.

Recently, however, in sectors such as the white goods line, material for energy and telecommunications, among others, the government has refused to carry out sectorial reconversions, and has proposed a policy of assistance, company by company; in other words, it is again attempting to return to Mr Abril Martorell's starting point.

It is obvious that the steps taken by UCD to date in order to implement industrial reconversion in Spain have entailed a constant weakening of the structure of our industry, and the figures tell the story: 382,000 net jobs abolished between 1976 and 1979, and no fewer than 250,000 between 1980 and 1981.

In view of this situation, it is most logical to think that there is no established industrial policy in Spain. However, we should not deceive ourselves, because the non-existence of an industrial policy is in itself a policy which is in perfect harmony with the economic neo-liberalism that is in vogue among the thinkers of our right wing. Nevertheless, it is well known that this theory and the practice thereof are contradictory, because, while liberalism is proclaimed, there is a constant demand for financial aid and legal intervention, by way of tax exemptions or protectionist measures from the public sector.

This new application of the old "laissez faire" is reflected in the implicit proposals of our rulers and of the de facto management authorities to "clean the small and medium-sized business firms in a first phase, which they have to some extent achieved, to reduce the personnel of the large business firms in a second phase, and to arrive at a third phase wherein, as the gospel quotation states, "all else will be added to us besides."

This policy which consists of not establishing a policy for Spanish industry would necessarily end in disaster if it is not corrected in time.

At a time such as the one we are experiencing, wherein the international division of labor is changing fast, wherein the multinational companies are directing much of their production toward countries with lower labor costs, wherein the introduction of new types of technology from the electronic and information science fields can upset entire production structures and processes, and wherein the Europe toward which we want to direct ourselves is programming mutual defense strategies for its industry, at this time waiting to see what will happen is suicide.

It would be a shame if the necessary debate by the plenary session of Parliament on the industrial reconversion decree were to take place uneventfully. We Communists do not want this to be the case; we want the decree to be changed, but we also desire that this debate be the starting point for a more complete discussion of the industrial policy to be applied in our country in order to emerge from the crisis.

We think that the minimal points to be included in this debate should take into account:

The establishment of a technological model;

The prospect of entry into the EEC;

The role of public enterprise;

The policy of negotiation with the multinational companies from a position of protection for national interests;

The determination of industrial sectors to be bolstered;

The growth of the Spanish market and the necessary policy on reactivation;

The policy on public spending and, essentially, on investment;

The relationship of the structure of the Spanish financial system with the problems of the business firms and, essentially, of the "pymes" [small and medium-sized businesses]:

The policy toward the "pymes" as a business sector generating employment;

The fiscal model necessary for the development of Spanish industry;

The depressed status of certain territorial areas (Andalucia, Galicia, Extremadura, Castilla, Aragon, etc.);

The policy on job distribution (lowering of retirement ages, reductions in the workday, etc.) in keeping with the increases in productivity which are occurring, and which will rise as a result of the introduction of new types of technology.

Obviously, an industrial policy with these features requires social acceptance, the agreement of the forces involved and, in some way, the participation of the left in the state's administration.

This is the challenge facing Spanish industry, to which we must respond. The PCE has an industrial policy, which it will make public soon, whether or not there is a debate; although we insist that it is essential for the latter to take place.

This is the challenge which our rulers have refused to cope with thus far, and it is a tragedy, because the path along which it seems they want to take us leads directly to industrial underdevelopment, with the social consequences that the latter entails: a greater dependence on foreign countries, unemployment, impoverishment, etc.

But what is even more serious is that all these results lead to a continuous deterioration in coexistence, to a misinterpretation of what industrial reconversion really is and to having the workers, who see only the negative effects of the process, say, without stopping to think further and without realizing that this is not the solution either: "Industrial reconversion? No, thanks."

2909

C60: 3110/106

## PAPER COMMENTS ON CAMPAIGN DEBATE BETWEEN FALLDIN, PALME

Stockholm SVENSKA DAGBLADET in Swedish 16 Mar 82 p 2

[Editorial: "Falldin On The Offensive"]

[Text] During yesterday's debate at Umea, Thorbjorn Falldin met Olof Palme in an election duel for the first time since 1976. It was not a brilliant position for the prime minister of the country to be in. Behind him were 6 years of economic and government crises. He had to defend unpopular savings measures. Recent reports from public opinion polls indicated that voter support was lowest ever for the Center Party, and only a few percent of the population had confidence in the ability of the middle to solve the country's economic problems.

A head of government in such a position met an opposition leader full of the desire for revenge, with the winds of public opinion at his back and power within his reach.

But those who thought that Thorbjorn Falldin would act like a beaten man were mistaken. He who was seen at the start as a loser went instead on the offensive.

The debate turned into a comprehensive preview of the election campaign.

Palme attacked the government vigorously on employment, economic stagnation and economy measures. On the economy, he lifted Sweden out of its international context and made it into an isolated island--a surprising tactic for the internationalist Palme. He asked time after time if it has become a better society now that we have a bourgeois government, and condemned the Center Party time after time for having gone together with the Conservative Party.

Falldin answered by putting Sweden in its international context. He listed all the government's positive accomplishments across a broad field. He vigorously attacked fund socialism.

He attacked the vagueness of the Social Democrats' political speeches and their failure to specify how everything they promise will be paid for.

But not only that. Falldin went unexpectedly on the offensive against Palme on the subject of employment and social policy. And he did it successfully. It was sometimes as though a patient schoolmaster was explaining the lessons to a careless student (even though the schoolmaster was not always correct).

Once again it could be seen how different Falldin and Palme are as debaters, politicians and people. Against the cunning, professional and passionate Palme, stood the amateurish, earthy and natural Falldin. Falldin does not have Palme's ability to stimulate the masses with phrases or fiery words. But this is not the prime minister's greatest handicap in the coming election campaign.

Instead it is the general and international situation that causes the election winds to blow against the Center and Liberal Party positions. The government gets the blame for international stagflation, and this applies to the governing parties of Sweden also. But furthermore, domestic political developments act to the disadvantage of the middle parties. When the social reform epoch is ended and questions of system ideologies come to the foreground, middle politics are not as appealing as socialism or market economics.

There are, therefore, many reasons why the combined middle must come together for success in the election. Primarily because of the question of government--which Olof Palme did not touch upon at Umea--it is important that the middle parties maintain and improve their position.

From the standpoint of the common good, Thorbjorn Falldin should be wished continued good progress.

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CSO: 3109/129

POLITICAL

TURKEY

COLUMNIST OBJECTS TO ASSEMBLY GREEK REPRISAL BILL

NC120809 Istanbul MILLIYET in Turkish 7 Apr 82 p 2

["Viewpoint" column by Professor Mumtaz Soysal: "Reprisals"]

[Excerpts] A bill has been submitted to the consultative assembly empowering the government to take similar measures against the immovable property of the Greek minority in Istanbul if the Greek Government expropriates the immovable property of the Turks living in Western Thrace.

Turkey is thus also on the threshold of a serious blunder. It must retreat from this threshold.

In accordance with the provisions of the Lausanne Treaty, Turkey has granted certain rights to the "non-Muslim" minorities in its realm. The same treaty stipulates that similar rights should be accorded the Turks in Western Thrace. The following is the text of the bill submitted to the consultative assembly: "In accordance with the mutual principle stipulated by international law, the council of ministers is empowered to seize ownership, possession, gains and any other rights of the compatriots living in Turkey of those countries which have seized either through law, administrative decisions, or other means. The ownership, possession and gains relating to the religious trusts of the Muslim Turks living in their countries, whose status is defined by international treaties."

No matter what kind of reprisals international law deems suitable, it does not befit Turkey to retaliate against a people in one corner of the world for what has been done to the people in another corner of the world.

Enacting such a law by benefitting from the legal facilities available during the current period would be the greatest evil done to the present administration. Is it not a humiliating act to reciprocate against a shameful act by Greece with another shameful act or to commit a blunder to counter another blunder?

Naturally, the attainment of these powers does not necessarily mean that reprisals will be carried out. It is difficult to think that we can stoop so low. But is it not just as wicked a diplomacy to pretend that we wish to carry out what in fact is an evil thing not being implemented.

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